



Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

Let us grow together



37th Annual Report 2014-15

Signing of MoU for Talcher Project



Shri R. G. Rajan, CMD, RCF and Shri B. C. Tripathi, CMD, GAIL exchanged Joint Venture Agreements on behalf of JV-2 and JV-1 for setting up an integrated Coal Gasification cum Fertilizer and Ammonium Nitrate Complex in Talcher, Odisha in presence of Hon'ble Shri Ananth Kumar, Union Minister of Chemicals & Fertilizers, Hon'ble Shri Dharmendra Pradhan, Union Minister of State for Petroleum and Natural Gas (I/C), Hon'ble Shri Piyush Goyal, Union Minister of State for Coal and Power (I/C), Hon'ble Shri Hansraj Ahir, Union Minister of State for Chemicals & Fertilizers, Shri Jugal Kishore Mohapatra, IAS, the then Secretary, DoF, Shri Saurabh Chandra, IAS, the then Secretary, Ministry of Petroleum and Natural Gas.

Foundation Stone Laying Ceremony of RCF-BPCL Sewage Treatment Plant



Hon'ble Shri Ananth Kumar, Union Minister of Chemicals & Fertilizers, laid Foundation Stone of RCF-BPCL Sewage Treatment Plant in presence of Hon'ble Shri Devendra Fadnavis, Chief Minister, Maharashtra, Shri Jugal Kishore Mohapatra, IAS, the then Secretary, DoF, Shri Rajiv Yadav, IAS, Addl. Secretary and Financial Advisor, DoF and Shri R. G. Rajan, CMD, RCF.

PSU Award for CSR Initiatives



Shri R. G. Rajan, CMD, RCF, receiving Governance Now PSU Award-2014 in CSR initiatives at the hands of Hon'ble Shri Kalraj Mishra, Union Minister of MSME, in presence of Hon'ble Shri Ram Vilas Paswan, Union Minister of Consumer Affairs, Food, and Public Distribution.

ICWAI Excellence Award



Shri Suresh Warior, Director (Finance), RCF receiving ICWAI Excellence Award for Excellence in Cost Management-2013 at the hands of Shri Jayant Sinha, Hon'ble Union Minister of State for Finance, in presence of Shri M. Joseph, IAS, Addl. Secretary, Ministry of Corporate Affairs and other dignitaries. This award is given by Institute of Cost Accountants of India.

RCF in India Chem-2014 Exhibition



Shri Ananth Kumar, Union Minister of Chemicals & Fertilizers, Govt. of India inaugurating Stall of Industrial Products Division, RCF in India Chem-2014 Exhibition in presence of Shri R. G. Rajan, CMD, RCF, Shri Ashok Ghasghase, Director (Mktg.), RCF, Shri Bhaskar Das, Executive Director (IPD), RCF and other dignitaries.

Dun & Bradstreet India's Top PSUs Awards 2015



Shri R. G. Rajan, CMD, RCF, receiving 'Dun & Bradstreet India's Top PSUs Awards-2015' in the Fertilizer sector at the hands of Shri R. M. Malla, Former CMD, IDBI, Former CMD, SIDBI and Current Chairman, of SME Ratings Ltd.

Vision Statement

"To be a World Class Corporate in the field of Fertilizers and Chemicals with Dominant Position in Indian Market, Ensuring Optimal Utilisation of Resources, taking Due Care of Environment and Maximising Value of Stakeholders".

Board of Directors



Rashtriya Chemicals and Fertilizers Limited
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Shri R. G. Rajan
Chairman and Managing Director



Shri C.M.T. Britto
Director (Technical)



Shri Ashok Ghasghase
Director (Marketing)



Shri Suresh Warior
Director (Finance)
(From 18.07.2014)



Shri Sham Lal Goyal, IAS
Jt. Secretary, Department of Fertilizers,
New Delhi



Shri Sushil Kumar Lohani, IAS
Jt. Secretary, Department of Fertilizers,
New Delhi (From 02.07.2014)



Prof. Damodar Acharya
Independent Director



Shri S. C. Gupta, IAS
Jt. Secretary, Department of Fertilizers,
New Delhi (upto 02.07.2014)

Mission of the Company

"Exponential Growth through Business Excellence with Focus on Maximising Stakeholder Value by Manufacturing and Selling Fertilizers and Chemicals in a Reliable, Ethical and Socially Responsible Manner".

Value Statement

"RCF shall Deal in all Aspects of Business with Integrity, Honesty, Transparency and with Utmost Respect to the Stakeholders, by Honouring our Commitment, Providing Results and Striving for the Highest Quality".

Letter from the Chairman



Rashtriya Chemicals and Fertilizers Limited
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Dear Shareowners,

It gives me immense pleasure to address you at the end of the year which started with lots of expectations and positive sentiments on account of change of guard at the center with a decisive political mandate. India came into limelight due to some positive steps taken on the policy front to boost the economic growth. The result of these steps can be seen with the Indian economy growth rate picking up. Some more reforms are in the anvil which will put India on a high growth trajectory. The International community is also looking at India to play a major role in International affairs. With the string of reforms continuing, we are optimistic that in the coming years, India will emerge as an economic super power.

The fertilizer sector which is mainly dependant on rain is expecting a 7% rainfall deficiency (southwest monsoon) in 2015 as predicted by The Indian Meteorological Department. However, the beginning of monsoon this year has been very encouraging with widespread good rains in the month of June, while monsoon is below par in July so far. A second straight year of poor monsoon will decrease the efficacy of India's irrigation ecosystem and hit agricultural output and farmers adversely.

I am glad to inform you that during the year 2014-15, your Company earned a total income of ₹ 7787.81 Crore as against ₹ 6661.64 Crore during the previous year and achieved a gross profit of ₹ 884.70 Crore as against ₹ 640.36 Crore of previous year. The Profit before Tax was ₹ 509.63 Crore which is an increase of about 39% over the previous year PBT of ₹ 367.32 Crore. The Company has also achieved the highest ever Profit after Tax of ₹ 322.06 Crore as compared to previous year PAT of ₹ 249.89 Crore, an increase of 28.88%. Your Company's performance during the year has been bolstered by higher volumes of manufactured & traded fertilizers and higher energy efficiencies attained at both Trombay and Thal Units, despite various challenges encountered on gas availability and delayed disbursement of subsidy.

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company, your Directors have recommended a dividend of ₹ 1.80 (i.e. 18%) per equity share (Previous year ₹ 1.50 per equity share) for the financial year 2014-15, which is highest pay-out in the history of RCF.

As has been the custom, your Company achieved several recognitions and awards, such as Environmental Excellence Award 2014-15 in Gold Category for Trombay instituted by Greentech Foundation for outstanding performance in environment management, 11th National award for excellence in Cost Management-2013 from The Institute of Cost Accountants of India, Golden Peacock National Training Award, Governance Now PSU Award 2014 for CSR initiatives, Golden Peacock Environmental Management Award for the year 2014 for Thal unit, Vigilance Excellence Award from Vigilance Study Circle, Hyderabad, Vigilance Excellence Award at Corporate level and also individual award for case studies from Institute of Public Enterprises, Hyderabad.

Your Company has already commenced the work on the project of Sewage Treatment Plant (STP) which, when operational, will generate 15 MLD of treated water for usage in the plants of RCF and BPCL thereby saving fresh water intake to that extent which will benefit about 30,000 families in the city of Mumbai. Similarly, the work on 2 MWp Solar Power Plant (PV Grid Connected) at Trombay has also commenced. This project, on commissioning, is likely to generate around 3 million units of power on annual basis. The power generated shall be used for captive consumption of the Trombay unit. Further your Company is planning to undertake major projects such as Additional Ammonia Urea project at Thal, Coal Based Fertilizer Plant at Talcher, and Urea Plant in Iran for import of Urea to India jointly with Gujarat Narmada Valley Fertilisers & Chemicals (GNFC) and Gujarat State Fertilisers Corporation (GSFC).

Your Company is also looking for opportunities for long term off take agreements for procurement of fertilizers to ensure sustained growth. I am confident that with your unflinching support and support from the Government, your Company would march ahead successfully.

I am delighted to present the Annual Report for the year 2014-15 and hope to see you at the 37th Annual General Meeting on 27th August, 2015.

On behalf of my colleagues on the Board and all RCFians, I thank you all for your continued support.

With warm regards,

(R. G. Rajan)
Chairman and Managing Director
14th July, 2015

FINANCIAL HIGHLIGHTS AT A GLANCE

₹ in Crore

S.NO	PARTICULARS	2014-15 As per revised Schedule VI	2013-14 As per revised Schedule VI	2012-13 As per revised Schedule VI	2011-12 As per revised Schedule VI	2010-11 As per revised Schedule VI	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1	Turnover (Gross Sales+ Subsidy + Other Income)	8057.65	6877.89	7102.49	6662.36	5671.60	5826.25	8538.43	5325.06	3644.60	3187.80	2895.90	2396.64	2135.98
2	Profit before Interest (Net), Depreciation and Tax (EBIDTA)	887.29	628.59	612.72	531.24	476.74	439.70	487.22	384.31	363.66	284.39	303.99	233.38	12.10
3	Depreciation	258.12	141.75	173.15	142.44	112.62	75.60	86.58	86.96	75.42	68.53	96.71	69.17	68.25
4	Interest [Net]	111.38	119.90	59.09	12.75	9.65	19.87	74.93	59.32	46.93	0.80	(3.98)	(91.59)	40.54
5	Prior year Adj. - Expenses / (Income)	8.16	(0.38)	0.36	1.59	(0.22)	0.02	0.01	(4.04)	0.07	(0.61)	(0.41)	(0.85)	(2.97)
6	Profit / (Loss) Before Tax	509.63	367.32	380.12	374.46	354.69	344.21	325.70	242.07	241.24	215.67	211.67	256.65	(93.72)
7	Tax Provision (Net of Adj.)	187.57	117.43	99.22	125.22	109.57	109.34	114.12	83.92	92.50	67.71	70.71	88.86	(45.65)
8	Profit / (Loss) After Tax	322.06	249.89	280.90	249.24	245.12	234.87	211.58	158.15	148.74	147.96	140.96	167.79	(48.07)
	Dividend													
9	Rate %	18.00	15.00	15.00	14.00	11.00	11.00	12.00	10.00	10.00	10.00	17.00	17.00	0.00
	Amount :	119.52	96.79	96.81	89.77	70.53	70.77	77.45	64.55	64.55	62.91	107.02	105.81	0.00
	Dividend Payout Ratio %	37.11	38.73	34.46	36.02	28.77	30.13	36.61	40.82	43.39	42.52	75.92	63.06	0.00
10	Working Capital	1695.06	1378.73	1199.67	1116.04	1036.33	1933.66	1896.01	1418.44	1434.06	884.39	849.81	734.48	983.56
11	Capital Employed	4705.99	3841.74	4132.74	3433.26	2550.52	3176.37	2973.17	2472.58	2449.97	1756.80	1738.87	1609.53	1901.93
12	Net Worth	2710.93	2508.39	2355.29	2171.20	2011.73	1837.14	1672.42	1537.38	1447.30	1361.50	1271.42	1234.08	1169.51
	RATIOS													
	Current Ratio [CA : 1]	1.62	1.58	1.42	1.40	1.85	2.25	1.93	2.63	3.28	2.29	2.78	2.86	4.54
	Debt Equity Ratio [Debits : 1]	0.15	0.13	0.09	0.13	0.08	0.72	0.85	0.81	0.66	0.32	0.29	0.17	0.53
	EBIDTA to capital employed %	18.85	16.36	14.83	15.47	18.69	13.84	16.39	15.54	14.84	16.19	17.48	14.50	0.64
	PBT to Capital Employed %	10.83	9.56	9.20	10.91	13.91	10.84	10.95	9.79	9.85	12.28	12.17	15.95	(4.93)
	PAT to Capital Employed %	6.84	6.50	6.80	7.26	9.61	7.39	7.12	6.40	6.07	8.42	8.11	10.42	(2.53)
	PBT to Net Worth %	18.80	14.64	16.14	17.25	17.63	18.74	19.47	15.75	16.67	15.84	16.65	20.80	(8.01)
	PAT to Net Worth %	11.88	9.96	11.93	11.48	12.18	12.78	12.65	10.29	10.28	10.87	11.09	13.60	(4.11)
	PAT to Equity %	58.38	45.30	50.92	45.18	44.43	42.57	38.35	28.67	26.96	26.82	25.55	30.41	(8.71)
	PBT to Turnover %	6.32	5.34	5.35	5.62	6.25	5.91	3.81	4.55	6.62	6.77	7.31	10.71	(4.39)
	PAT to Turnover %	4.04	3.67	3.99	3.78	4.37	4.07	2.50	3.00	4.12	4.69	4.92	7.07	(2.27)
	Earning per share Before Tax (₹)	9.24	6.66	6.89	6.79	6.43	6.24	5.90	4.39	4.37	3.91	3.84	4.65	(1.70)
	Earning per share After Tax (₹)	5.84	4.53	5.09	4.52	4.44	4.26	3.84	2.87	2.70	2.68	2.56	3.04	(0.87)
	EBIDTA to Sales Turnover%	11.12	9.23	8.71	8.05	8.49	7.55	5.71	7.22	9.98	8.92	10.50	9.74	0.57

SENIOR MANAGERS

Sr. No.	Name	Designation	Sr. No.	Name	Designation
1	Kundan Rajesh	Chief Vigilance Officer	14	Das Harishchandra L.	Chief Gen. Mgr. (Operations)
2	Kulkarni Ranganath H.	Executive Director (Finance)	15	Kashikar Ajit S.	Chief Gen. Mgr. (Maintenance)
3	Jain Ravi Kumar	Executive Director (Thal)	16	Khare Ajai B.	Chief Gen. Mgr. (Commercial)
4	Banerjee Abir R.	Executive Director (Trombay)	17	Kamat Narahari R.	Chief Gen. Mgr. (Technical)
5	Deshpande Pravinkumar G.	Executive Director (HR)	18	Bhogle Shirish G.	Chief Gen. Mgr. (Mktg.)
6	Bhaskar Das	Executive Director (IPD)	19	Shende Arvind N.	Chief Gen. Mgr. (HSE) Corp.
7	Patil Rajendra B.	Executive Director (Fin.) & Chief Sustainability Officer	20	Parthasarathy S.	Chief Gen. Mgr. (CF)
8	Karthikeyan P.	Executive Director (Mktg.)	21	Fidvi Saifuddin K.	Chief Gen. Mgr. (HR & Admn.)
9	Kundu A.	Executive Director (Planning & Proj. Development)	22	Varadkar Suhas S.	Gen. Mgr. (Operations), Thal
10	Londhe Vishwas G.	Chief Gen. Mgr. (Finance/ IT)	23	Nawade Arun V.	Gen. Mgr. (HR & Admn.)
11	Thyagarajan M.	Chief Gen. Mgr. (QC)	24	Das Ghanshyam	Gen. Mgr. (Utility)
12	Dhatrak Umesh V.	Chief Gen. Mgr. (Technical) Thal	25	Galgali Bharat G.	Gen. Mgr. (Nitrogen)
13	Jawale Ravindra P.	Chief Gen. Mgr. (Operations) Thal	26	Prasad P. L. C. K.	Gen. Mgr. (Finance)
			27	Chandraguptarajah S. A.	Gen. Mgr. (IT)
			28	Jadhav Arvind T.	Gen. Mgr. (Mktg. WZ)

Company Secretary	:	Shri D. M. Sati
Email address	:	investorcommunications@rcfltd.com
Website address	:	www.rcfltd.com
Telephone	:	(022) 25523114/3118
Registered Office	:	“Priyadarshini” Eastern Express Highway, Sion, Mumbai 400 022.
Share Transfer Agent	:	M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup, Mumbai 400 078. (022) 25963838
Bankers	:	State Bank of India Swastik Chamber, Chembur, Mumbai.
Statutory Auditors	:	M/s. M. M. Nissim & Co., Mumbai M/s. NBS & Co., Mumbai
Cost Auditors	:	Shri Suresh D. Shenoy, Mumbai M/s V. J. Talati & Company, Mumbai.
Advocates & Solicitors	:	M/s M.S. Bodhanwalla & Co., Mumbai.



Let us grow together

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

Registered Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022.

Annual Report 2014-15

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RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022.

CIN: L24110MH1978GOI020185

Phone: 022-24045024/ Fax:022 24045022

Email Id: investorcommunications@rcfltd.com • Website: www.rcfltd.com

NOTICE

THIRTY SEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED will be held at "Sivaswamy Auditorium", The Fine Arts Society, Fine Arts Chowk, RC Marg, Chembur, Mumbai 400 071, on **Thursday, the 27th day of August, 2015 at 3.00 p. m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2015, including Profit & Loss Statement for the year ended 31st March, 2015 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To fix remuneration of Auditors.
4. To appoint a Director in place of Shri Sham Lal Goyal (DIN: 03342782), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri C. M. T. Britto (DIN: 02449069), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2016 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. V. J. Talati & Co., Cost Accountants and Shri Suresh

D. Shenoy, Cost Accountant, Mumbai, who have been appointed by the Board as Cost Auditors of the Company to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2016, amounting to ₹1,95,000/- (all inclusive) and ₹1,40,000/- (plus out of pocket expenses incurred in connection with aforesaid audit) respectively, as also the payment of service tax as applicable be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By order of the Board of Directors

[D. M. Sati]
Company Secretary

Date: 14th July, 2015

Place: Mumbai

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty numbers and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Register of Members and Share Transfer books will be closed from Friday, the 21st August, 2015 to Thursday, the 27th August, 2015 [both days inclusive].
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Members are requested to notify immediately any changes in their address to the Company or its Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078.
6. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through e-mail investorcommunications@rcfldtd.com at least seven days prior to the date of Annual General Meeting.
7. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th September, 2014 (date of last Annual General Meeting) on the website of the Company (www.rcfldtd.com), as also on the website of the Ministry of Corporate Affairs.

Members who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company or to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited, immediately. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any claims.
8. Members holding shares in physical form should notify change in their addresses, if any, to the Registrar & Transfer Agent specifying full address in block letters with PIN CODE of their post offices, which is mandatory. Members holding shares in electronic form (demat), should inform the change of address to their depository participant.
9. Electronic copy of the 37th Annual Report for 2015, indicating process and manner of e-voting along with attendance slip and proxy form, is being sent to all members whose email ids are registered with the Company/depository participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015, indicating process and manner of e-voting along with attendance slip and proxy form, are being sent in the permitted mode.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc., from the Company in electronic mode.
11. Members/Proxies are requested to bring the Attendance Slip(s) duly filled in.
12. Members may also note that the 37th Annual Report for 2015 will also be available on the Company's website www.rcfldtd.com for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the members may also send requests to the Company's designated email id: www.investorcommunications@rcfldtd.com.
13. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 37th Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Thursday, 20th August, 2015.
- IV. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. 20th August, 2015, may refer to this Notice of the 37th Annual General Meeting of the Company, posted on Company's website www.rcftd.com for detailed procedure with regard to remote e-Voting. The Notice shall also be available at www.cdslindia.com.
- V. A member may participate in the AGM even after exercising his right to vote through remote e-Voting, but cannot vote again at the AGM. More details pertaining to e-Voting is included under the Section "Instructions for remote e-Voting" annexed to this Notice.
- VI. Shri Bhumitra V. Dholakia, Practising Company Secretary and Designated Partner of M/s. Dholakia and Associates LLP., Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot process in a fair and transparent manner.
- VII. The Scrutinizer shall, within 3 days of conclusion of the meeting, make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by him. The Chairman or a Director authorised by him shall declare the result of the voting forthwith.
- VIII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rcftd.com and on the website of CDSL www.cdslindia.com immediately after the result is declared by the Chairman. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai, where the shares of the Company are listed.
- IX. The process and manner for remote e-voting are as under:
- (i) The remote e-voting period commences on Sunday, 23rd August, 2015 (9.00 a.m. IST) and ends on Wednesday, 26th August, 2015 (5.00 p.m. IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 20th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (ii) The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM, but shall not be entitled to cast their vote again.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.

Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log in.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company, please enter the member ID / Folio No. in the Dividend Bank Details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.6

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on 21st May, 2015, approved the appointment and recommendation of the Cost Auditors, M/s. V. J. Talati & Co., Cost Accountants (Registration No.R00213) and Shri Suresh D. Shenoy, Cost Accountant (Membership No. 8318) Mumbai, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2016, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors as

recommended by the Audit Committee and approved by the Board of Directors, requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

The Board recommends the Ordinary Resolution set out at item no.6 of the notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

By order of the Board of Directors

(D. M. Sati)
Company Secretary

Date: 14th July, 2015

Place: Mumbai

DIRECTORS' REPORT

To the Members,
Rashtriya Chemicals and Fertilizers Limited,
Mumbai

The Directors of your Company have pleasure in presenting this 37th Annual Report on the working of your Company together with the Audited Accounts for the year ended 31st March, 2015.

1.0.0 FINANCIAL PERFORMANCE

1.1.0 SUMMARY OF FINANCIAL PERFORMANCE

Particulars	₹ Crore	
	2014-15	2013-14
Total Income	7787.81	6661.64
Cost of Sales	6903.11	6021.28
Operational Profit	884.70	640.36
Depreciation/Impairment	258.12	141.75
Finance Cost	116.95	131.29
Profit/ (Loss) before tax	509.63	367.32
Provision for Tax (including deferred Tax liability/ Asset)	187.57	117.43
Net Profit / (loss)	322.06	249.89
Appropriations:		
Dividend	99.30	82.75
Tax and Educational cess on Dividend	20.22	14.06
Balance Transferred to General Reserve	202.54	153.08

1.2.0 HIGHLIGHT OF PERFORMANCE FOR THE YEAR 2014-2015

- ☼ Income for the year increased by 16.91% to ₹ 7787.81 Crore as compared to ₹ 6661.64 Crore.
- ☼ Gross profit for the year increased by 38.16% to ₹ 884.70 Crore as against ₹ 640.36 Crore of previous year.
- ☼ Profit before tax increased by 38.74% to ₹ 509.63 Crore as compared to ₹ 367.32 Crore.
- ☼ Highest ever profit after tax of ₹ 322.06 Crore as compared to ₹ 249.89 Crore, registering an increase of 28.88%.

The Company's Performance during the year has been bolstered by higher volumes of manufactured

and traded fertilizers and higher energy efficiencies at both Trombay and Thal units, despite various challenges encountered on gas availability and delayed disbursement of subsidy.

As in the past several years, your Company received 'MOU Excellent' rating for 2013-14 from Ministry of Heavy Industries and Public Enterprises.

1.3.0 DIVIDEND

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company, your Directors have recommended a dividend of ₹ 1.80 (i.e. 18%) per equity share (Previous year ₹1.50 per equity share) for the financial year 2014-15, which is highest payout in the history of RCF. The total out go on this account works out to ₹ 119.52 (₹ 96.81 Crore in the previous year) including dividend distribution tax and education cess. The dividend payout is subject to the approval of members at the ensuing Annual General Meeting.

1.4.0 APPROPRIATION TO GENERAL RESERVES

Your Company earned a net Profit after Tax of ₹ 322.06 Crore (₹ 249.89 Crore in the previous year). The dividend payout along with Tax/cess is ₹ 119.52 Crore (₹ 96.81 Crore in the previous year). The balance amount of ₹ 202.54 Crore (₹153.08 Crore in the previous year) is transferred to General Reserves.

1.5.0 AWARDS WON

As in the past, your Company won many awards during the year 2014-15 some of which are as under:

- ☼ Golden Peacock Environmental Management Award for the year 2014 for Thal Unit;
- ☼ First Prize for State Level Excellence in Energy Conservation & Management for the year 2012-13 from MEDA, Government of Maharashtra for Thal Unit;
- ☼ Environmental Excellence Award 2014-15 in Gold Category instituted by Greentech Foundation for outstanding performance in environment management for Trombay Unit;
- ☼ Paryavaran Gaurav Puraskar from Maharashtra Pollution Control Board, Pune region and Environmental Club of India for Thal Unit;

- ❁ 11th National award for excellence in Cost Management-2013 from The Institute of Cost Accountants of India.
- ❁ Vigilance Excellence Award from Vigilance Study Circle, Hyderabad;
- ❁ Vigilance Excellence Award at Corporate level and also individual award for case studies from Institute of Public Enterprises, Hyderabad;

2.0.0 MANAGEMENT DISCUSSION AND ANALYSIS

2.1.0 OPERATIONAL RESULTS

2.1.1 Production

2.1.2 Fertilizers:

Your Company produced 32.59 lakh MT of fertilizers (26.01 lakh MT of Urea, 3.97 lakh MT of Suphala 15:15:15 and 2.61 lakh MT of Suphala 20:20:0) during the year as against 28.64 lakh MT of fertilizers (23.47 lakh MT of Urea, 3.33 lakh MT of Suphala 15:15:15 and 1.84 lakh MT of Suphala 20:20:0) produced in the previous year. In terms of nutrients, your Company produced 13.08 lakh MT of Nitrogen (N), 1.12 lakh MT of Phosphate (P₂O₅) and 0.60 lakh MT of Potassium (K₂O) during the year as compared to 11.66 lakh MT of Nitrogen (N), 0.87 lakh MT of Phosphate (P₂O₅) and 0.50 lakh MT of Potassium (K₂O) during the previous year.

The performance of the two units was as under:

2.1.2.1 Thal Unit:

During the year, Thal Unit has achieved highest ever Ammonia and Urea Production and also achieved lowest yearly energy consumption and highest ever Stream Days for both Ammonia (356.02 Stream Days) and Urea Plants (357.75 Stream Days). The unit produced 21.78 lakh MT of Urea during the year compared to 19.94 lakh MT produced in the previous year. The energy consumption of Urea was 5.87 Gcal/MT (6.10 Gcal/MT in the previous year). In terms of nutrients in the fertilisers, the unit produced 10.02 lakh MT of N during the year, compared to 9.17 lakh MT in previous year.

2.1.2.2 Trombay Unit:

The Trombay Unit produced 4.23 lakh MT of Urea, 3.97 lakh MT of Suphala 15:15:15 and 2.61 lakh MT of Suphala 20:20:0 during the year compared to 3.53 lakh MT of Urea, 3.33 lakh MT of Suphala 15:15:15 and 1.84 lakh MT of Suphala 20:20:0 produced during

the previous year. In terms of Nutrient values, the unit produced 3.09 lakh MT of N, 1.16 lakh MT of P₂O₅ and 0.61 lakh MT of K₂O during the year compared to 2.49 lakh MT of N, 0.87 lakh MT of P₂O₅ and 0.50 lakh MT of K₂O respectively in the previous year. The energy consumption of Urea was lower at 6.87 Gcal/MT compared to 7.07 Gcal/MT in the previous year.

2.1.3 Industrial Products:

Your Company produces industrial chemicals at its two units. During the year, your Company produced 1.52 lakh MT of various major industrial chemical products compared to 1.54 lakh MT during the previous year. Your Company produces, amongst others, Methanol, Methylamines and derivatives, Sodium Nitrate/Nitrite, Ammonium Bi-Carbonate, Formic Acid etc.

The production of most of the industrial products was higher as compared to targets as well as previous year except for Methanol, Formic Acid, Dimethyl Acetamide and Sodium Nitrate/Nitrite, production of which was lower compared to targets as well as previous year due to market constraints.

2.2.0 MARKETING PERFORMANCE

2.2.1 Fertilizer Division:

Your Company achieved sales volume of 36.89 lakh MT during 2014-15 as compared to 31.61 lakh MT in the previous year. Your Company sold 28.58 lakh MT of Urea, 3.89 lakh MT of Suphala 15:15:15, 2.55 lakh MT of Suphala 20:20:0 and 1.87 lakh MT of other bought out products such as DAP, MOP, SSP, Rajphos, NPK etc., compared to 24.45 lakh MT of Urea, 3.61 lakh MT of Suphala 15:15:15, 1.89 lakh MT of Suphala 20:20:0 and 1.66 lakh MT of other bought out products such as DAP, MOP, SSP, Rajphos, NPK etc., during the previous year. The total sale of manufactured fertilizers during 2014-15 was 32.62 lakh MT as against 29.64 lakh MT in 2013-14.

Sales of fertilizers registered an increase of 16.7 % over previous year. Good monsoon as well as better production and improved sales of traded fertilizers due to better volumes of imported Urea and trading in indigenous items contributed to the same.

2.2.2 Industrial Products Division:

Industrial Products Division achieved record sales turnover of ₹ 1125 Crore as against ₹ 987.47 Crore during the previous year. Ammonia, Ammonium Nitrate (Melt), Methanol, Methylamines, conc. Nitric Acid, Formic acid, etc., contributed significantly to the turnover.

2.2.3 Exports:

Considering the nature of products manufactured by your Company and indigenous demand, the scope for export is very limited. During the year under report, your Company exported 264 MT of Suphala 15:15:15, worth ₹ 0.72 Crore, to Sharjah. High cost of production is the main restraining factor for venturing in the international market, as it renders our chemicals unviable compared to lower cost of imports of similar products. However, we have been successful in popularizing our ABC brand in the overseas market through third party export. During F.Y.2014-15, we have effected third party export of ABC to the tune of ₹ 62.29 lakh.

2.2.4 Future plans of marketing

2.2.4.1 Fertilizer:

Your Company has set itself an ambitious target of achieving a total turnover of ₹ 8,300 Crore in the current year (including Industrial Chemicals). In addition to the manufactured products and imported urea, your Company also intends to market other fertilizers i.e. complex fertilizers, SSP, water soluble fertilizers, Bentonite Sulphur, SOP, Ammonium Sulphate, Zinc Sulphate, city compost/organic manure, etc., sourced either through import or marketing tie-ups with local companies.

2.2.4.2 Industrial Product Division (IPD):

The sales turnover of the products like DMAC, DMF and Formic Acid needs to be increased by exploring and developing new markets. Products having synergy with our product line need to be considered for tie-up and trading – Methanol, Amines and DMF. Sale of high volume products like Methanol, Ammonia, AN(Melt) and DNA will facilitate improvement in turnover as well as profitability.

2.3.0 THE FERTILIZER INDUSTRY

2.3.1 Pricing Policy:

2.3.1.1 Urea: In case of urea, the farmgate price is notified by the Government from time to time. So also the dealers margins are indicated. The concession to the units are given by various policies from time to time. For the financial year 2014-15, Urea is governed by the New Pricing Scheme and New Investment Policy 2008 both of which are due for revision.

So far as policy for Urea where manufacturers are incentivized for higher production of Urea based on

Import Parity Price (IPP), the margins on such higher production was highly impacted owing to falling IPP and reliance on Costly Spot LNG for manufacture of the same.

Since then Government of India has announced a new Urea policy- 2015 for existing gas based urea manufacturing units effective for the period 01.06.2015 to 31.03.2019 under which units are divided into three groups based on pre- set energy norms. This policy comes in tandem with gas pooling mechanism which is also effective from 01.06.2015 to streamline gas supplies for the fertiliser industry so that all the manufacturers will get the gas at the same price which will help the plant owners to operate plants at full capacity.

2.3.1.2 P&K fertilizers: P&K fertilizers are covered under Nutrient Based Subsidy (NBS) scheme. Under the NBS, the subsidy rates for nutrients 'N', 'P' 'K' and 'S' are notified by the Government on an annual basis. Selling prices are determined by the Company depending on costs of production, seasonal conditions, demand in field, competitors' pricing, etc.

In addition to NBS, units are also entitled for compensation towards freight based on uniform freight policy. During the year, restriction of freight subsidy up to 1400 Kms impacted the margins of the Company. Further the issue of gas allocation and retrospective recovery towards use of cheap Domestic gas for use in manufacture of P&K fertilizers and chemicals remains unresolved. The said matter has been referred to an Inter-Ministerial Committee for resolution. Company has represented that such action is discriminatory in nature and not in spirit of the policy and expects a favourable response.

2.3.1.3 Impact of Government policies on IPD marketing.

Government policy on pricing and prioritizing allocation of natural gas to Urea may severely affect production and sale P&K fertilizers and chemicals.

Free Trade Agreement with other nations may result in lowering of the existing duty structure, thus encouraging cheaper imports which in turn can affect sale of domestic chemical manufacturers like RCF.

Government has liberalized import of chemicals to meet the ever increasing consumption level of chemicals in almost all sectors of the economy. International manufacturers, apart from cheaper energy sources, are having huge production capacities thus benefiting from the economies of scale, making available their products at cheaper rate compared to domestic

manufacturers. This has put strain on the margins of domestic manufacturers producing products viz. Methanol, DMF, DMAC, Formic Acid, Ammonia, ABC, Amines etc. However, to safeguard interest of domestic manufacturers the Government has also imposed anti-dumping duty on products like Sodium Nitrite / Sodium Nitrate. Cases are pending relating to various chemicals where Indian manufacturers are requesting Government of India for imposition of anti-dumping duty.

2.4.0 STRENGTH, WEAKNESS, OPPORTUNITIES & THREATS

2.4.1 Strengths:

(i) Your Company's strength lies in its skilled manpower, high Brand Equity of its manufactured Products such as Ujjwala, Suphala, Microla, Biola, and Sujala. (ii) The wide spread marketing network ensures that your Company has country wide reach. (iii) The Farmer's Training Institutes and R & D Centre ensure that quality services are provided to the farmers/dealers by educating them and providing inputs for better crop realisation. (iv) Your Company has a wide portfolio of chemical products and can withstand difficult economic situations by adopting optimal mix of production. (v) The well maintained plants and equipment ensure uninterrupted production.

2.4.2 Weaknesses:

(i) The Plants have been in operation for a very long time, some of them since 1965. A regular upkeep, maintenance and up-gradation of the plants have ensured that production is not affected. (ii) As the ultimate customers are farmers, Agro-climatic conditions have a large effect on the performance of your Company. (iii) The complex fertilizers are based on imported raw materials which are subject to severe volatility in global raw materials prices and foreign currency exchange rate, affecting the profitability of your Company.

2.4.3 Opportunities:

(i) Due to your Company's good reputation, several opportunities exist overseas, for collaborations/diversification in the field of manufacturing and mining of raw materials and fertilizers and this affords opportunity for marketing of varieties of products. (ii) The increased demand-supply gap in the Country provides for opportunity to expand its Urea base at Thal. (iii) Alternate feedstock like Coal gasification gives an opportunity for undertaking fertilizer projects

in other parts of the country closer to coal mines. (iv) Experienced and skilled manpower of your Company has been in demand for rendering O & M service in India and abroad. In view of your Company's training facilities, as well as the available skilled engineers and technicians, your Company is in position to impart training to many foreign and Indian Companies.

All these opportunities would lead to substantial increase in turnover of your Company.

2.4.4 Threats:

(i) Manufacturing and marketing of Fertilizers is the core business of your Company. In the recent years, there has been high volatility in the prices of raw material resulting in creation of scarcity, impeding production and marketing plans. The profitability is susceptible to the input costs of major raw materials, such as Rock Phosphate, Sulphur, DAP, MOP, MAP etc. (ii) Production of Urea, Complexes and chemicals are susceptible to availability of feedstock gas and its economic pricing. (iii) The chemicals business is also exposed to cut throat global market competition from cheaper import. (iv) Department of Fertilizers, Government of India, (DoF) is under the process of implementing a move to mop up the unintended gains that the fertilizer units are making in nutrient "N" by use of domestic gas for manufacturing P&K fertilizers with retrospective effect from 01.04.2010. This, if implemented, will not only have adverse impact on the profitability but also operational viability of the Company. Your Company has suitably represented to the DoF against this move. (v) Uncertainty in government policies in respect of supply of feed stock gas, pricing of fertilizers and subsidy thereon also affect the performance and competitiveness of the Company.

2.5.0 RISK MANAGEMENT

Pursuant to clause 49 of the Listing Agreement, the Company has framed Risk Management Policy for risk assessment and minimization procedures. Risk Management Policy, developed with the objective of having a balanced approach towards business plan and mitigating the associated risks, is in place. The system identifies better management practices to ensure greater degree of confidence amongst various stakeholders and facilitates good Corporate Governance practice. All risks associated with Operations, Environment, Finance, Human Resource, Legal, Information security etc., are continuously monitored. The degree of impact of the perceived risks financially, their likely effect on the assets, facilities and third parties are assessed

regularly. In order to mitigate losses arising out of such perceived risks, appropriate procedures are being adopted to contain the risks. Also the practices adopted during emergencies, including the communication system and mode of disseminating information are periodically reviewed and updated to minimise the impact on the Company. Quarterly report in respect of the same is presented to the Board.

2.6.0 MAJOR EXPANSION AND DIVERSIFICATIONS

Your Company is planning to undertake major projects as under:

2.6.1 Additional Ammonia Urea project at Thal:

Your Company has plans to expand the capacity of Urea at Thal by setting up one single stream Ammonia plant of capacity 2200 MTPD and one single stream Urea plant of capacity 3850 MTPD at the existing site. The selection of lump sum turnkey contractors (LSTK) for main plants had been completed in March 2012 and proposal for approval of PIB/CCEA was submitted. In view of delay in policy notifications and considerable lapse of time thereof, LSTK bidder did not agree for extension of bid validity beyond March 2014. Fresh Pre-qualification bid was floated to explore possibility of inclusion of any new LSTK bidder and for giving opportunity to existing pre-qualified bidders to change constitution of consortium. However, no new bids were received. Fresh price bids were sought from the existing bidders. The revised bids have been opened and Detailed Feasibility Report (DFR) has been prepared by PDIL. However, the project cost now stands revised to ₹ 5,458.07 Crore as against ₹ 4500 Crore envisaged earlier. Board of Directors of your Company has approved DFR and proposal has been forwarded to DoF for PIB/ CCEA approval.

2.6.2 Coal Based Fertilizer Plant at Talcher:

Your Company, along with Coal India Limited (CIL), GAIL India Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), is contemplating to set up a fertilizer complex, comprising of 2200 MTPD ammonia plant, 3850 MTPD Urea plant at Talcher, Odisha through coal gasification route. Coal will be made available by CIL from nearby coalfields. Land and certain facilities needed for the project will be provided by FCIL. The project will utilize state-of-the-art Coal Gasification Technology. MoU and Joint Venture Agreement amongst the proposed promoters have been signed. The Coal gasification technology

supplier is being identified and pre – project activities for the down stream plants are underway. Project capital cost is estimated to be approx. ₹ 9000 Crore.

The project is of strategic importance for the country as it aims to make breakthrough for an alternative source of feedstock in the form of abundantly available coal from domestic sources in place of natural gas. It will also aid much needed urea production capacity in the eastern part of the Country.

2.6.3 Sewage Treatment Plant (STP) at Trombay:

Ensuring water availability has become critical for the smooth functioning of the Trombay unit given the competing demand for water in the city. Recognizing this, Company has lined up contract for setting up of a new Sewage Treatment Plant (STP) adjacent to the existing STP plant of same 5 MGD capacity. Project cost for the same is approx. ₹ 198 Crore. A portion of the treated process water will be supplied to BPCL and hence a part of the project cost will be funded by them on mutually agreed terms. Project work is already underway at the site.

2.6.4 Solar Power Plant (PV Grid Connected) at Trombay:

In the current era of rapidly depleting fossil fuel resources with access to conventional energy resources such as oil, gas and coal becoming increasingly constrained and uneconomical it is imperative to harness renewable energy sources to meet our demands. Your Company is setting up a 2 MWp Grid connected Photovoltaic Solar power plant within factory premises of Trombay unit with capital Cost of ₹ 14.60 Crore. Based on the average intensity of solar radiation, it is expected to generate around 3 million units of power on annual basis. The power generated shall be used for captive consumption of the Trombay unit and reduce our power import to that extent.

This venture is in line with the Solar mission of Government of India and leads RCF's foray into generation of renewable energy resulting in to reduction in the overall carbon footprint of the company.

2.6.5 Iran Project:

Your company has been nominated by the Government of India along with Gujarat Narmada Valley Fertilisers & Chemicals (GNFC) and Gujarat State Fertilisers Corporation (GSFC) for the proposed 1.3 million tonne Urea joint venture plant in Iran for import of

Urea to India. SBI Capital Market has been appointed to identify the Iranian partners for the Joint Venture Project. The consortium is planning to set up the joint venture plant at Chahbahar in Iran, using natural gas as feedstock which is abundantly available with in that country an estimated investment of USD 903 Million.

2.7.0 SUBSIDIARY AND OTHER JOINT VENTURE COMPANIES

A separate statement containing the salient features of financial statements of all subsidiary/joint ventures of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary/joint ventures and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiary/joint ventures and all other documents required to be attached to this report have been uploaded on the website of your Company (www.rcfltd.com).

2.7.1 Subsidiary Company:

Rajasthan Rashtriya Chemicals and Fertilizers Limited, Jaipur:

Rajasthan Rashtriya Chemicals and Fertilizers Limited (RRCFL) is a subsidiary company of Rashtriya Chemicals and Fertilizers Limited incorporated on 11th September, 2007. Since, the Company has not started its activities, the Board of Directors in their Meeting held on 8th November, 2013 took a decision to close down the Company. No objection certificate has been obtained from Department of Fertilizers for making an application to Registrar of Companies for striking off the name of RRCFL under Fast Track Exit Mode.

2.7.2 Joint Venture Company:

2.7.2.1 FACT-RCF Building Products Limited, Kochi:

Your Company has formed a Joint Venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Ltd to set up a Rapidwall project at Kochi.

Both RCF and FACT have 50:50 equity holding in the Company. The plant is in operation. The Company is building up its customer base and is in the process of stabilising its operations by putting special effort on marketing of the product.

During the year, FRBL earned a total income of ₹ 2.74 Crore as against ₹ 2.01 Crore during the previous year. FRBL registered Loss after Tax of ₹ 23.86 Crore during the year as against ₹ 17.51 Crore in the previous year.

To ensure compliance with Accounting standards, it has been decided to provide for a permanent diminution in the value of investments in FRBL and also towards the outstanding loans & advances as on 31st March, 2015. The impact of the same works out to ₹ 34.66 Crore. This project has very good potential and therefore RCF would continue to support it in the coming years.

2.7.2.2 Urvarak Videsh Limited (UVL):

Urvarak Videsh Limited (UVL) was incorporated on 18th July, 2008 as a Special Purpose Vehicle (SPV) with equity participation of Rashtriya Chemicals and Fertilizers Limited(RCF), National Fertilizers Limited (NFL) and Krishak Bharti Co-operative Limited (KRIBHCO) with the object of setting up joint venture in India and abroad for manufacturing, mining, long term tie ups for nitrogeous, phosphatic and Potassic Fertilizers and fertilizer raw materials including exploring the possibility of making investments and rendering Consultancy services, etc. The company explored many alternatives to take up various projects but the same did not fructify due to want of funds as UVL business objective requires heavy capital investment. As the company could not take up any business and at the same time keeping the status of the company as active was not serving any purpose except to comply with various statutory formalities, the Board of your company has decided to declare the company as a Dormant company for the time being under the provision of section 455 of the Companies Act, 2013. As and when the proper opportunity arises in future, business activities can be taken up by the Company by reverting its status as active company.

2.7.3 Consolidated Financial Statement:

The Consolidated Financial Statement of your Company has been prepared by taking into consideration Joint Venture Company i.e. FACT-RCF Buildings Products Limited. The transactions in RRCFL and UVL are not material and considering that the Company has made full provision for diminution in value of investments

on account of accumulated losses, the accounts of said companies has not been considered for the purpose of the Consolidated financial statements.

The Consolidated financial statements have been prepared under proportionate consolidated method along with Company's financial statements. As per Unaudited financial statements, FRBL has reported a loss of ₹ 23.86 Crore during the year and the proportionate share of the same works out to ₹11.93 Crore.

Net Profit after Tax as per Consolidated Financial statements is ₹ 344.79 Crore whereas Net Profit after Tax as per Standalone financial statements is ₹ 322.06 Crore.

The following table shows the reconciliation between the two:

Sr. No.	Particulars	Amount (₹ Crore)
1	Net Profit as per Consolidated Financial Statements	344.79
2	Less: Intercompany adjustments	
	a) Provision towards diminution in the investments made in JV entity (FRBL)	(32.87)
	b) Provision for doubtful debts on the loans paid to the JV entity	(1.79)
3	Add: 50% share in the loss of the JV entity (FACT RCF Building Products Ltd.)	11.93
4	Net Profit as per Standalone Financial Statements	322.06

2.8.0 RESEARCH AND DEVELOPMENT

Your Company has taken up several Research and Development projects, some of which are taken up for commercial scale design and engineering, are as under:

2.8.1 Lab scale development of composite Bio fertilizer:

Bio fertilizers are known to play a vital role in soil fertility, crop productivity and production in agriculture as they are eco-friendly. Composite bio fertilizer is combination of all three microorganisms; namely Phosphorous (P) solubilising, Nitrogen (N) fixing and Potassium (K) mobilizing bacteria. Phosphorus solubilizing bacteria solubilise insoluble inorganic phosphate into soluble inorganic phosphate

by producing organic acids and making available to plants. Nitrogen fixing bacteria fix atmospheric Nitrogen symbiotically and are able to colonize the legume roots of the plant. Potassium solubilising bacteria solubilise the Potash which is fixed in the soil and make it available to the plant in an easily usable form.

The composite bio fertilizer with all the above bacteria is developed in laboratory. Your Company will take further steps to commercialise the product after successfully completing the field trials.

2.8.2 Trial production of water resistant plaster for external application from Calcined Gypsum:

The R & D department of your Company has developed, in consultation with Institute of Chemical Technology, a formulation for manufacturing an eco-friendly water resistant plaster for external application on the walls from Calcined Gypsum. It has potential to replace conventional sand cement mortar mix. The trial production of the product is done. Application has been done on few buildings and feedback is awaited.

2.8.3 Development of Pot hole fill mix from Calcined Gypsum:

The R & D department of your Company has developed new formulation using Calcined Gypsum, for preparing a Pot hole fill mix. It is strongly bonded material which can be used on roads to fill pot holes especially in monsoon. It is a cost effective alternative for commercially available Cold Mix. Your Company will take further steps to commercialise the product after successfully completing the trials.

2.8.4 Development of 100% water soluble fertilizer N P K (13:40:13):

The R & D department of your Company has developed 100% water soluble fertilizer N P K 13:40:13 under brand name Sujala. It is free flowing and suitable for all crops especially for root development and bud differentiation. It comes in form of foliar and fertigation application. Trial production is completed. It will be commercialized shortly.

2.8.5 Development of Micronutrient grade for Paddy Basal for Tamilnadu state:

Micronutrients are essential for plant growth and play an important role in balanced crop nutrition. They

include Boron (B), Copper (Cu), Iron (Fe), Manganese (Mn), Molybdenum (Mo) and Zinc (Zn). They are as important to plant as primary and secondary nutrients, though plants don't require as much of them. Lack of any micronutrient in soil can limit the crop growth even if all other main nutrients are present in adequate amount. These micronutrients are state specific.

The R & D department of your Company has developed Tamilnadu state micronutrient grade (No. XI) for Paddy crop basal application in solid form. The trial production is completed. It will be commercialized shortly.

3.0.0 ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

Your Company is committed to ensuring clean environment, beyond satisfying all stipulated requirements laid down by the statutory authorities, around its operating units.

Your Company has established ISO 14001 compliant Environment Management System (EMS) at its two manufacturing units. The Systems are constantly upgraded and regular internal audits and Management Reviews are carried out to ensure compliance and continually improve the system. Apart from Stack monitors, which continuously monitor the emissions, four fixed ambient air quality monitoring stations are in place, at both Trombay and Thal, to monitor ammonia, NO_x, SO₂, Particulate matter (PM10 & PM2.5) & metrological parameters.

The Effluent Treatment plants at Trombay and Thal have ensured that the environment in and around the Units are fully protected. Various schemes with state of the art technologies and modernisation schemes are implemented to reduce energy consumption and wastages of the scarce natural resources. The waste streams from the plants are recycled/ reused for useful purpose, wherever possible.

The integrated Effluent Treatment Plant ensures that whatever effluent is discharged from the factory meets the statutory requirements laid down by the Pollution Control Board.

RCF, Trombay has taken up a massive plantation drive in factory premises, in residential colony and surrounding areas and planted 15,000 numbers of trees in the year 2014-15. Similarly 2650 trees have been planted in Thal.

For increasing awareness regarding environment, public awareness campaign programmes are arranged by Trombay and Thal units.

4.0.0 CORPORATE SOCIAL RESPONSIBILITIES (CSR) INITIATIVES

4.1.0 As part of its initiatives under "Corporate Social Responsibilities", your Company has undertaken several activities, aimed for the benefit of needy and for general good of the society. These activities are in accordance with Schedule VII of the Companies Act, 2013. The activities, in brief, are as under:

4.1.1 Education:

4.1.1.1 Schools:

Your Company supports schools, at the two units, which impart education in Marathi, Hindi and English mediums to students from Nursery to 10th Standard. Your Company undertakes the upkeep, maintenance and bears the deficit expenditure incurred by the schools, located in Company's residential colonies, which are run by reputed Educational Institutions.

4.1.1.2 Scholarship to meritorious students:

Your Company offers a number of scholarships to students of SC/ ST/ OBC communities for pursuing higher studies. Your Company's scholarship project for sending every year 10 students to 6th Standard in Shivaji Military school in Pune and supporting the earlier batches in their march to higher standards thereafter has received goodwill from all.

4.1.1.3 Supply of Mid-Day Meal:

Your Company is funding Mid-Day Meal Scheme for providing nutritious food to children studying in twenty five unaided schools, providing education to poor children, in and around Trombay area. The scheme is operated through an NGO, 'ISKCON Food Relief Foundation' which supplies good and healthy meal to the children on behalf of RCF. In all, 6,000 students have availed the benefit of this nutritious mid-day meal.

4.1.1.4 Programme for underprivileged Children:

Your Company has adopted the "Khel Khel Mein" programme of Wockhardt Foundation for under privileged children of age group of 5 to 10 years, by setting up six centres of edu-recreation with parallel learning in slums of Vashi Naka area, near Trombay unit.

4.1.1.5 RCF SUPER- 30 programme:

Your Company, in association with Centre for Social Responsibility and Leadership (CSRL), has established a unit of Abhayanand Super 30 in Mumbai where about 30 underprivileged talented students of Maharashtra state are provided 11 months of free residential coaching to enable them to get admission in IIT/NIT and other premier engineering colleges. This year 26 of these students were successful in the JEE mains examination.

4.1.1.6 Farmers' Education:

More than 30000 farmers attended & benefited from the training programmes conducted at the two Farmers Training Centres in the last half decade and have used the knowledge to upgrade their farm practices and have succeeded in reducing their overheads and increase in their wealth. Special programmes designed for women farmers and the scheduled caste and scheduled tribes are also organized on a regular basis so that they too join the bandwagon of the country's agricultural renaissance.

Your Company's efforts in rendering advisory services to farmers by conducting Soil diagnostics to optimize soil productivity are well appreciated.

Based on the analysis, farmers are advised on soil fertility management through rational use of manure, fertilizers and other inputs to make agriculture more productive and sustainable. During the year, more than 143000 soil samples were analyzed and recommendations given through the twelve static and six mobile soil testing laboratories.

4.1.2 Supply of drinking water to the villages:

Your Company has been providing drinking water for more than 20 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit and spent about ₹ 114 lakh on this account during the year. About 16000 residents of the villages got benefit of the scheme.

4.1.3 Community Medical Facility:

4.1.3.1 Running of Mobile Medical Van:

Your Company has engaged Wockhardt Foundation and administered free primary health care through mobile Medical Vans. Total of four Mobile medical vans are running in slums of Trombay and villages of Thal and patients are benefited from free medical services including supply of medicines. Through

this facility, ailments like Blood pressure, low Haemoglobin Levels, Oxygen saturation, Malaria, Hepatitis, Dengue, Typhoid, Diabetes, etc., are treated on regular basis, through qualified Doctors. One medical van attends to approx. 25000 patients per annum.

4.1.3.2 Running of pathology lab:

M/s Wockhardt Foundation is also engaged in the running of Pathology lab in Chembur near RCF township. Nearly 3000 patients have benefited from this scheme.

4.1.3.3 Assistance to differently abled persons:

Your Company with assistance of ALIMCO (PSU) has extended services of providing Aids and Appliances to nearly 75 differently abled persons belonging to the under privileged section of the society.

4.1.3.4 Distribution of sanitary napkins (Moksha):

Your Company has engaged Wockhardt Foundation for extending the medical services for enhancement of female hygiene by free distribution of sanitary napkins (Moksha) through mobile Medical Vans. The efforts in rendering novel services to the women in slum areas.

4.1.4 Chembur Green Project:

Your Company continued to support the Chembur Green project, launched to establish greenery in the eastern suburb of Mumbai, by joining hands with Chembur Citizens' Forum, an NGO to develop, beautify and maintain N. G. Acharya Garden (Diamond Garden), at Chembur for a period of 5 years. Your Company continued distribution of free saplings and rendering advice to various co-op. societies and also to individuals.

4.1.5 Conservation of Natural Resources(Solar System):

Your Company has continued to focus on conservation of Natural Resources by installation of solar power system at Deaf & Dumb school at Patiala.

In addition 10 Bio Toilets inside factory premises were installed for Truck drivers, loaders and cleaners etc. The . bio toilet converts the human waste into treated effluent and bio gas which is free from Pathogens.

4.1.6 Contribution to "SWACHH BHARAT KOSH":

Your Company has contributed ₹ 1 Crore in the national campaign of clean and green India.

4.1.7 Rural Sports

Your Company has supplied sports material and organised sports for tribal of Thal Villages.

4.1.8 Livelihood enhancement projects

Your Company has also supplied paddy, fruits sapling and free fertilizers to nearby villagers.

During the year, your Company has spent ₹ 8.30 Crore on CSR activities. The Annual Report on CSR activities is annexed to this report as **Annexure I**.

5.0.0 MICRO, SMALL AND MEDIUM ENTERPRISES

Government of India, Ministry of Micro, Small and Medium Enterprises, vide order dated 23rd March, 2012, notified the public procurement policy in respect of procurement of goods and services produced and provided by Micro, Small and Medium Enterprises. As per this directive, every Central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro, Small and Medium Enterprises from the Financial Year 2012-13 and onwards with the objective of achieving an overall procurement of products produced and services rendered by Micro, Small and Medium Enterprises to the extent of minimum 20% of total annual purchases in a period of three years. The directive also provides that the goals set with respect to procurement to be made from Micro, Small and Medium Enterprises and achievement made in that direction be incorporated in their respective Annual Reports. Your Company has already achieved the set target of 20%.

6.0.0 SUSTAINABLE DEVELOPMENT

6.1 Your Company has taken up several Sustainable development activities including the following:

- [i] Improvement of Road infrastructure- construction and repairs.
- [ii] Building of Check Dams.
- [iii] Prevention of soil erosion and watershed management.

6.1.1 Rapid wall Project:

The Rapid wall project, which has been implemented, is an example of Company's faith in sustainable development wherein a waste product generated from Phosphoric Acid Plant is converted into useful building material by adopting a novel technology.

6.1.2 New Sewage Treatment plant:

Your Company and Bharat Petroleum Corporation Limited (BPCL), have signed an MOU for setting up a Sewage Treatment Plant (STP) at RCF, Trombay at approx. cost of ₹ 198 Crore. The Sewage Treatment Plant shall be named as RCF-BPCL Sewage Treatment Plant. The RCF-BPCL Sewage Treatment Plant will be based on latest Membrane Bio-Reactor Technology with design capacity to treat 22.75 Million Litres per Day (MLD) of Municipal Sewage to produce about 15 MLD of treated water. The treated water shall be shared by RCF and BPCL. The project is being set up with active support from Municipal Corporation of Greater Mumbai (MCGM). This project is a Sustainability Development Project as it will treat waste sewage generated in the city and convert it in to treated water. The said project when operational will also reduce the load on MCGM Sewage Treatment facility to the extent of 22.75 MLD.

The said project when it goes on-stream will generate 15 MLD of treated water for usage in plant operation in RCF and BPCL thereby saving fresh water intake to that extent which will benefit about 30,000 families in the city of Mumbai. Being sustainable development project, this project from your Company will be of great value to residents of Mumbai and Society at large.

6.1.3 Solar Power Plant:

In its bid towards India's vision of achieving ecologically sustainable growth, Your company has already forayed in solar power generation. The company have installed 5 rooftop solar power generation facilities atop our offices. Your company has already lined up a contract for setting up a 2 MWp Photovoltaic Solar power plant within our factory premises at Trombay, Mumbai at a cost ₹ 14.20 Crore. Based on the average intensity of solar radiation, the project on commissioning is likely to generate around 3 million units of power on annual basis. The power generated shall be used for captive consumption of the Trombay unit and reduce your Company's power import to the equivalent extent.

The power generated by solar plant shall replace the conventional power generated through burning of fossil fuels with a totally green power leading to reduction in overall Greenhouse gas emissions of the surroundings.

Your Company is also considering several major activities connected with Green House Gas, sustainable electricity distribution based on solar energy etc. Your Company is targeting to take up many more sustainable development activities in the near future.

6.2 ANNUAL SUSTAINABILITY REPORT

RCF has published, during the year, its Sustainability Report for the year 2013-14 based on Global Reporting Initiative (GRI) guidelines and National Voluntary Guidelines (NVG) on 'Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs, Govt. of India. The Report has been posted on the Company's website.

The report provides Company's economic, environmental and social performance. Sustainability reporting is about organization's progress vis-a-vis performance goals, not only for economic achievements, but for environmental protection and social well-being. The report for 2014-15 would also be published soon.

7.0.0 VIGILANCE

Vigilance department is headed by a full time Chief Vigilance Officer (CVO), deputed from the All India Services by the Government of India. The position of CVO is at par with the Functional Directors. CVO is assisted by a team of Officers drawn from various functional departments. The activities of Vigilance department cover Corporate office, Trombay unit, Thal unit and all the marketing offices situated throughout the country. In line with the CVC guidelines, the thrust of Vigilance in your Company is to bring greater transparency, integrity and efficiency. The focus of Vigilance department is on Preventive and Participative Vigilance.

This is done by keeping careful watch on various activities through regular inspections and surprise checks. System improvements and corrective actions are taken wherever necessary. The concept that "All Officers are Vigilance Officers" is implemented in your Company and alertness and support of all officers is taken in the management of Vigilance. Vigilance has focused on spreading awareness on rules / regulations, procedures and soliciting information / complaints from all regarding malpractices / corruption.

During the year, Vigilance Department has actively contributed towards leveraging technology in all operations that helps in implementing robust e-governance in RCF, in making the tender documents more transparent and relevant, enhanced transparency in existing system of dealing with our Dealers/Vendors and accrued savings to your company by implementing e-procurement thereby ensuring transparency in all procurements.

8.0.0 HUMAN RESOURCES

8.1.0 TRAINING AND DEVELOPMENT

One of the strengths of your Company lies in its skilled and professional manpower. This could be achieved by adopting good HR policies and undertaking training and development of all employees. Training imparted includes enhancing General Management skills of the employees in various functions viz. Marketing, Finance, Commercial and Health Services disciplines.

Quality Management Systems, Environment Management Systems, Occupational Health and Safety Systems and 5 S Systems are given focused attention. The work culture of your Company has been enhanced by introducing the Six Sigma and Lean Quality Circles. System of Mentorship for newly recruited Executives is in place.

Your Company is the first Public Sector Undertaking to have formally introduced Quality Systems in various HR and HRD processes by being successfully rated at People Capability Maturity Model (PCMM) Level 2. Time Bound efforts are planned to achieve Level 3 rating of PCMM.

The Company has been conferred with the 'Best PSU Public Sector Training Program' Award by ASSOCHAM in January, 2015.

Institute of Directors has also awarded the Company with the 'Golden Peacock National Training Award' for the year 2014-15.

8.2.0 INDUSTRIAL RELATIONS

Your Company maintained cordial and harmonious Industrial Relations with all its employees. All the issues are settled amicably through regular discussions, meetings and dialogues with the employees. There was no occurrence of any untoward incident during the year.

Your Company had 3957 employees comprising of 1546 Officers and 2411 workmen, as on 31st March, 2015 compared to 3967 employees (1508 officers and 2459 workmen) as on the corresponding date of the previous year.

8.3.0 MATHADI CONTRACT LABOUR MANAGEMENT

Due to cordial relations with Mathadi Labour, Trombay and Thal Units could achieve the targets and recorded production and dispatch milestones.

Management strongly believes in continuous dialogues and meetings with Unions of Contract Labours. Mutual Trust and Transparency are the key factors in cordial industrial relations. From November 2014 onwards, retirement age of contract workers was enhanced from 58 years to 60 years. All the gratuity claims of the retired/expired contract workers have been settled.

8.4.0 GRIEVANCE REDRESSAL

There is a “three tier system” in existence through which the employees’ grievances are resolved. It helps in achieving the objectives of employees’ satisfaction enhancement within guidelines and it also develops faith and confidence in the system and department.

8.5.0 WELFARE AND SPORTS

Your Company undertakes several welfare schemes like education, medical, transport, housing etc., according to the needs of the employees. In regards to sports, your Company is a prominent patron and sponsored various sports events. Your Company’s Football, Cricket, Hockey, Kabaddi and other teams continue to show excellent performance at District, State and National levels.

8.6.0 WELFARE / EMPLOYMENT OPPORTUNITY TO WEAKER SECTION

The guidelines in respect of reservation in recruitment and promotion of SC/ST, OBC, Ex-servicemen and Persons with Disabilities are followed by your Company. As on 31st March 2015, your Company has on its rolls, 552 employees belonging to Scheduled Caste, 261 Scheduled Tribe and 437 Other backward castes.

Your Company is committed to the welfare of the backward classes in general and SC/ST employees in particular. Regular meetings are held with SC/ST Employees Welfare Association to address grievances, if any, and for providing guidance for development.

Your Company has adopted 38 SC/ST students under SC/ST Adoption Scheme.

Medical Camp is organized every year at Chaitya Bhoomi, Dadar on 6th December, on the occasion of ‘Mahaparinirvan Day’. Financial assistance for making arrangement for medical camp and for medicines along with the vehicles and Doctors is made available by the Company.

Your Company’s Thal Unit provides various amenities like water, road for the nearby villages e.g. Thal, Navgaon, Boris, Gunjis etc., where the majority of

the population belongs to the SC/ST categories. The facility continued during the year. Scholarships were given to meritorious students of SC/ST community in the nearby villages of Thal.

Large number of SC/ST farmers have been trained in the programmes conducted at the Company’s Farmers’ Training Centres at Nagpur and Thal.

9.0.0 OFFICIAL LANGUAGE POLICY

Your Company has fully endeavoured to implement the provisions of Official Language Act, 1963 and the policy of the Government. Publicity material and literature for employees and farmers are made available in Hindi and other regional languages.

10.0.0 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well-defined Internal Control System that is adequate and commensurate with the size and nature of its business comprising of an in-house Audit Department, which conducts internal audit of various operational and financial matters on on-going basis. Internal Audit group consists of adequate number of financial and technical personnel and is headed by a Cost Accountant in the rank of Dy. General Manager. The recommendation and observations of the Internal Audit Department are reviewed regularly by the Audit Committee constituted by the Board of Directors. The performance of your Company is regularly monitored by the Audit Committee.

The Company has an effective budgetary control mechanism in place to take care of the detailed capex and operational budget. Appropriate monitoring mechanism to compare the actual performance with the budget ensures that necessary review is periodically undertaken.

11.0.0 COST AUDIT

Your Directors had, on the recommendation of Audit Committee, appointed Shri Suresh D. Shenoy, Cost Accountant and M/s V.J.Talati & Co., Cost Accountants to audit the cost accounts of the Company for the financial year 2014-15. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member’s ratification for the remuneration payable to Shri Suresh D. Shenoy and M/s V.J. Talati & Co., Cost Auditors was approved by the members in 36th Annual General Meeting.

Shri Suresh D. Shenoy and M/s. V. J. Talati & Co., cost Accountants, have been appointed, by the Board, on the recommendation of Audit Committee, as Cost Auditors for the year 2015-16 on a remuneration of ₹ 3.35 lakh. As required under the Companies Act, 2013, the remuneration payable to cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to M/s V. J. Talati & Co., and Shri Suresh D. Shenoy, Cost Auditors is included in the notice convening the Annual General Meeting.

12.0.0 DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3) (c) of the Companies Act, 2013, your Directors state that:

- i] in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii] such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii] proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv] the annual accounts have been prepared on a going concern basis;
- v] the proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- vi] systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13.0.0 CORPORATE GOVERNANCE

13.1.0 As per Clause 49 of the listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate of Compliance from the Company's Auditor forms an integral part of this report.

13.2.0 COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES

Government of India, Department of Public Enterprises (DPE), has laid down certain parameters for the purpose of grading the Central Public Sector Enterprises on the basis of their compliance of guidelines on Corporate Governance and this report needs to be submitted to the Government on quarterly/annual basis. Your Company has been complying with the Guidelines on Corporate Governance for Central Public Sector Enterprises laid down by DPE and regularly submits reports to the Government.

14.0.0 CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' and actual results may or may not be in accordance therewith. The Company's performance is dependent on several external factors such as performance of monsoon, significant changes in economic environment, Government Policies, fluctuations in prices of raw material and finished products and also their availability etc., which could adversely affect the operations of your Company.

15.0.0 AUDITORS

The Comptroller and Auditor General of India (CAG) has appointed, M/s. M. M. Nissim & Co. and M/s NBS & Co., as Joint Statutory Auditors of your Company for the Financial Year 2014-15. The Auditors would be retiring at the conclusion of the Thirty Seventh Annual General Meeting.

The Statutory Auditors for the Financial Year 2015-16 will be appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

16.0.0 DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year, Shri Sushil Kumar Lohani has been appointed as Government Nominee Director in place of Shri S. C. Gupta w.e.f. 2nd July, 2014, Shri Suresh Warior has been appointed as Director (Finance) and Chief Financial Officer w.e.f. 18th July, 2014 and Shri D. M. Sati has been appointed as Company Secretary and Compliance Officer in place of Shri K. C. Prakash w.e.f. 1st August, 2014.

As per Section 152 of the Companies Act, Shri Sham Lal Goyal and Shri C. M. T. Britto, Directors retire by

rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Independent Director has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreements.

17.0 REMUNERATION POLICY

Department of Public Enterprises vide OM No. 2(70)/08- DPE(WC) dated 26th November 2008 has fixed pay scales of Board Level and below Board Level executives and non-unionised supervisors.

18.0 MEETINGS OF THE BOARD

Eleven (11) Board Meetings were held during the year. The details are given in the Corporate Governance Report.

19.0 NOMINATION AND REMUNERATION COMMITTEE:

The details of Nomination and Remuneration Committee are given in Corporate Governance Report.

20.0 PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans given, Investments made, Guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the financial statements.

21.0 VIGIL MECHANISM/WHISTLE BLOWER POLICY

The details of Vigil Mechanism/Whistle Blower Policy are provided in Corporate Governance Report.

22.0 RELATED PARTY TRANSACTIONS

All contracts/arrangement/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or

other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

23.0 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued thereunder, your Company confirms that no complaint /case has been filed/pending with the Company during the year 2014-15.

24.0 SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Bhandari and Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed to this Report as **Annexure II**.

25.0 EXPLANATION OR COMMENTS BY THE BOARD ON SECRETARIAL AUDIT REPORT

M/s. Bhandari and Associates, Practising Company Secretaries, Secretarial Auditor of the Company has made certain observations in their Secretarial Audit Report. The Board Comments in respect of the same are as under:

25.01.01 In respect of observation made at Sr. no A1, A2& A3:

"The Company is a Central Public Sector Undertaking and its Directors on the Board are appointed by the President of India. The present Board of the Company consists of 7 Directors comprising of 4 Whole-time Directors (including CMD), 2 Government Nominee Directors and 1 Independent Director. Company has taken up with Government for appointing balance Independent Directors including one woman director.

25.01.02 In respect of observation made at Sr. no A4:

A Separate meeting of Independent Directors could not be held during the said period as the Company has only one Independent Director on its board.

26.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed to this Report as **Annexure III.**

27.0 EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 are annexed to this report as **Annexure IV.**

28.0 ACKNOWLEDGMENT

Your Directors wish to gratefully acknowledge the valuable guidance and continued support extended by Government of India and in particular, the Department of Fertilizers and the Office of Fertilizer Industry Co-ordination Committee (FICC), Railways, DPE, members of MOU Task force, and other Central Government departments and Agencies.

The Board also wishes to acknowledge with sincere gratitude, the help and unstinted support from the Government of Maharashtra and other state Governments, MSEB, MIDC, various media, Municipal authorities, Maharashtra Pollution Control Board, Bankers to your Company, Financial Institutions, Dealers and Customers.

Your Board wishes to acknowledge gratefully, the confidence posed, unstinted support and suggestions made to the Board by the esteemed share Owners of the Company. The Board also wishes to place on record the positive suggestions and guidance provided by the Statutory Auditors, Cost Auditors and the Office of the Principal Director of Commercial Audit.

Last but not the least, your Directors take pleasure in placing on record their deep appreciation of the excellent contribution made by the employees of your Company at all levels, without which your Company would not have achieved such good performance.

By order of the Board of Directors

[R. G. Rajan]
Chairman and Managing Director

Place: Mumbai
Date : 14th July, 2015

ANNEXURE - I**ANNUAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Refer section Corporate Social Responsibility in Directors Report .CSR Policy may be accessed on the Company's website at the link : http://www.rcftd.com/about us/policies/csr policy
2.	Composition of the CSR Committee:	Please refer section Committee on Corporate Social Responsibility in the Corporate Governance Report.
3.	Average net profit(PBT) of the Company for last three financial years:	₹ 40098 lakh
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	₹ 802 Lakh
5.	Details of CSR spend for the financial year:	
a.	Total amount spent for the financial year	₹ 830 lakh
b.	Amount unspent, if any:	Not Applicable

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects/ Activities Identified	Sector in which Project is covered	Projects or Program 1) Local Area or Other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise ₹ in lakh	Amount spent on the project or programs. Sub heads: (1) Direct expenditure on project or program (2) Overheads ₹ in lakh	Cumulative Expenditure up to reporting period ₹ in lakh	Amount spent direct or thru implementing agency
1	Adoption of villages	Rural Welfare & Community development	Districts of Nagpur, Sangli (Maharashtra)	25.00	25.33	25.33	Undertaken directly by RCF in association with local Panchayat samitis
2	Supply of safe drinking water to nearby villages	Rural Welfare & Community development	Thal, Vaishet, Tudal, Boris, Gunjis, Navgaon, Bhal District Raigad (Maharashtra)	125.00	124.55	124.55	Undertaken directly by RCF in association with MIDC
3	Supply of Mid-Day Meal	Health and Family welfare	Vishnu Nagar, Gadkari Khan, Nagababa Nagar, Panjarpol, Khadi Machine, Azad Nagar, Bharat Nagar, Shankar Deul, Vashi Gaon, Vadvali Gaon, Dosti Acres and adjoining areas of Trombay, Mumbai	160.00	161.76	161.76	ISKCON food relief Foundation

Sr. No.	CSR Projects/ Activities Identified	Sector in which Project is covered	Projects or Program 1) Local Area or Other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise ₹ in lakh	Amount spent on the project or programs. Sub heads: (1) Direct expenditure on project or program (2) Overheads ₹ in lakh	Cumulative Expenditure up to reporting period ₹ in lakh	Amount spent direct or thru implementing agency
4	Providing medical facilities thru. Mobile Medical Van	Health and Family welfare	Vishnu Nagar, Gadkari Khan, Nagababa Nagar, Panjarpol, Khadi Machine, Azad Nagar, Bharat Nagar, Shankar Deul, Vashi Gaon, Vadvali Gaon, Dosti Acres and adjoining areas of Trombay, and villages of Thal – District Raigad and Mumbai (Maharashtra)	104.00	100.07	100.07	Wockhardt Foundation
5	Distribution of free Sanitary napkins to female population of slums of chembur and villages of Thal	Health and Family welfare	Vishnu Nagar, Gadkari Khan, Nagababa Nagar, Panjarpol, Khadi Machine, Azad Nagar, Bharat Nagar, Shankar Deul, Vashi Gaon, Vadvali Gaon, Dosti Acres and adjoining areas of Trombay, and villages of Thal- District Raigad and Mumbai	5.00	5.72	5.72	Wockhardt Foundation
6	Running of Pathology lab, Chembur	Health and Family welfare	Chembur Area, Mumbai	10.50	10.50	10.50	Wockhardt Foundation
7	Providing Aids and Appliances to differently able persons belonging to underprivileged section of society	Health and Family welfare	Vishnu Nagar, Gadkari Khan, Nagababa Nagar Panjarpol, Khadi Machine, Azad Nagar, Bharat Nagar, Shankar Deul, Vashi Gaon, Vadvali Gaon, Dosti Acres and adjoining areas of Trombay, Mumbai	10.00	9.42	9.42	Undertaken directly by RCF in association with Artificial Limb Manufacturing Company (ALIMCO) (PSU)
8	Providing education recreational training to boys and girls from slums of Trombay thereby teaching basics of Hygiene ethics manners etc.	Promoting Education	Vishnu Nagar, Gadkari Khan, Nagababa Nagar, Panjarpol, Khadi Machine, Azad Nagar, Bharat Nagar, Shankar Deul, Vashi Gaon, Vadvali Gaon, Dosti Acres and adjoining areas of Trombay, Mumbai	15.00	15.00	15.00	Wockhardt Foundation
9	Conducting training for students of interior districts of Maharashtra for IIT entrance examination.	Promoting Education	Students from various Districts in Maharashtra districts were giving training under this initiative	70.00	102.41	102.41	Centre for Social Responsibility and Leadership

Sr. No.	CSR Projects/ Activities Identified	Sector in which Project is covered	Projects or Program 1) Local Area or Other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise ₹ in lakh	Amount spent on the project or programs. Sub heads: (1) Direct expenditure on project or program (2) Overheads ₹ in lakh	Cumulative Expenditure up to reporting period ₹ in lakh	Amount spent direct or thru implementing agency
10	Providing scholarship to SC/ST students of tribal villages for education in annual batches of 10 from 5th, till they reach 12th std.	Reducing inequalities faced by Socially and Economically backward groups and promoting education	Shivaji Military School at Pune. However, SC/ST students from all districts of Maharashtra get the benefit.	10.00	9.34	9.34	Undertaken directly by RCF in association Shivaji Preparatory Military school.
11	Installation of Bio toilet in villages of Thal	Health and Hygiene/ Conservation of Natural Resources	Villages of Thal area District Raigad (Maharashtra)	5.00	4.14	4.14	Undertaken directly by RCF
12	Installation of solar water heating system	Conservation of Natural Resources	Patiala Punjab	16.00	16.00	16.00	Undertaken directly by RCF for Society for welfare of handicapped at Patiala.
13	Contribution to "SWACHH BHARAT KOSH"	Conservation of Natural Resources and Promotion for sanitation	Central Government Initiative	100.00	100.00	100.00	Contribution by RCF
14	Undertaking soil testing analysis and sending soil testing reports to farmers directly for providing information about soil health and balanced soil nutrition.	Maintaining quality of soil, Air and water.	Through Soil testing labs at Kolhapur, Nagpur, Ahmednagar, Hassan, Vijayawada, Chndikhole, Kolar, Suryapet, Raipur, Nanded and Satara.	25.00	23.82	23.82	Undertaken directly by RCF
15	Conducting farmers training regarding soil health and balanced soil nutrition.	Maintaining quality of soil, air and water and ensuring ecological balance	Farmers Training centres at Thal (Dist. Raigad) and at Nagpur.	30.00	30.02	30.02	Undertaken directly by RCF

Sr. No.	CSR Projects/ Activities Identified	Sector in which Project is covered	Projects or Program 1) Local Area or Other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise ₹ in lakh	Amount spent on the project or programs. Sub heads: (1) Direct expenditure on project or program (2) Overheads ₹ in lakh	Cumulative Expenditure up to reporting period ₹ in lakh	Amount spent direct or thru implementing agency
16	Printing and distribution of free famers booklet which provides information about use of balanced fertilizer and to have balanced soil nutrition	Maintaining quality of soil, air and water and ensuring ecological balance	Various Villages and districts in Maharashtra	43.00	45.58	45.58	Undertaken directly by RCF
17	Holding of Yoga shivir at RCF Premises for general public	Health and Family welfare	Chembur near RCF township. Local public of nearby areas of Trombay and Chembur and general public at large got the benefit	9.00	8.67	8.67	Undertaken directly by RCF
18	Maintenance of a public garden in Chembur.	Health and Family welfare	Chembur. Mumbai	18.00	18.00	18.00	Undertaken directly by RCF along with Chembur Citizen Forum
19	Repairs undertaken at local school (Savitribai Phule school) which imparts education to under privileged children of slums of Trombay.	Promoting Education	Targeting school where Underprivileged children study. Trombay, Chembur	7.00	6.81	6.81	Undertaken directly by RCF
20	Repairs undertaken and providing lights at local school (Jawahar vidhya Bhavan) which imparts education to under privileged children of slums of Trombay.	Promoting Education	At Chembur near RCF township for Underprivileged children of slums of Trombay Mumbai	5.00	4.28	4.28	Undertaken directly by RCF

Sr. No.	CSR Projects/ Activities Identified	Sector in which Project is covered	Projects or Program 1) Local Area or Other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise ₹ in lakh	Amount spent on the project or programs. Sub heads: (1) Direct expenditure on project or program (2) Overheads ₹ in lakh	Cumulative Expenditure up to reporting period ₹ in lakh	Amount spent direct or thru implementing agency
21	Providing Furniture/ accessories and Scholarships to schools and underprivileged children.	Promoting Education	At Thal for Underprivileged children of slums of Thal district Raigad (Maharashtra)	5.00	6.08	6.08	Undertaken directly by RCF
22	Holding Medical camp in Slum in Mumbai	Promoting Education	Bharat Nagar slum at Chembur Mumbai for underprivileged people of slums of Trombay, Mumbai.	2.50	2.50	2.50	Undertaken directly by RCF along with Radhey Foundation
		TOTAL		800.00	830.00	830.00	

Responsibility Statement

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

“The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.”

R. G. Rajan
Chairman and Managing Director

Sham Lal Goyal
Chairman- CSR Committee

Dated: 21st May, 2015

BHANDARI & ASSOCIATES
Company Secretaries

901, Kamla Executive Park, Off. Andheri Kurla Road,
J. B. Nagar, Andheri East. Mumbai- 400 059
Tel: +91 22 4221 5300 Fax: +91 22 4221 5303
Email: mumbai@anilashok.com

**SECRETARIAL AUDIT REPORT FOR
THE FINANCIAL YEAR ENDED MARCH 31, 2015**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Rashtriya Chemicals and Fertilizers Limited
CIN: L24110MH1978GOI020185
“Priyadashani”,
Eastern Express Highway,
Sion, Mumbai- 400 022.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rashtriya Chemicals and Fertilizers Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (The Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings. The Company does not have any Foreign Direct Investment and Overseas Direct Investment during the financial year;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;#
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; #

- f) The Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; # and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.#

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

- vi. Guidelines on Corporate Governances for Central Public Sector Enterprises (CPSEs) 2010; and
- vii. The Fertiliser (Control) Order, 1985.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India; # and
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

Not applicable for the period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

A.1. The Board of Directors comprises seven directors, consisting of four Executive Directors (including the Chairman cum Managing Director); two Nominee Directors and one Independent Director. Section 149 of the Companies Act, 2013, requires that there should be at least one Woman Director and one-third of the total number of directors should be independent directors. The Company does not have a Woman Director and has only one Independent Director. As per the clause 49 of the Listing agreement, the Chairman being an Executive Director, the Composition of the Board should be fifty percent or more of Independent Directors. Thus,

the Company does not have the required number of Independent Directors on its Board.

A.2. The Audit Committee comprises three Directors, consisting of one Executive Director, one Independent Director and one Nominee Director. Section 177 of the Companies Act, 2013 requires that majority of directors of Audit Committee should be independent. The Company does not have the required number of independent directors on its Audit Committee. Clause 49-III-A-1 of the Listing Agreement requires minimum two directors to be Independent Directors on an Audit Committee. Thus the Company does not have the required number of Independent Directors on its Audit Committee.

A.3. The Nomination and Remuneration Committee comprises three Directors of which two are Nominee Directors and One Independent Director. Section 178 of the Companies Act, 2013 and clause 49 IV of the Listing agreement requires that Independent Directors should be at least half of the total strength of Nomination and remuneration committee. The Company does not have the required number of Independent directors on its Nomination and remuneration committee.

A.4. As per the Schedule IV (Code for Independent Directors) pursuant to Section 149(8) of the Companies Act, 2013 and Clause 49 of Listing Agreement, a separate meeting of Independent Directors should be held to review the performance of Non-Independent, Chairperson and the Board as a whole. A separate Meeting of Independent Directors has not been held during the period under review.

We further report that

The Board of Directors of the Company is duly constituted. However, it does not have a proper balance of Executive Directors and Independent Directors. Further the changes in the composition of the Board of Directors, that took place during the period under review, were carried out in compliance with the provisions of the Act.

Usually notices were given to all Directors to schedule the Board Meetings. The Agenda for the meetings along with agenda notes were generally circulated to the Directors seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has obtained Members approval, through Postal ballot process, on August 16, 2014, for giving powers to the Board to borrow upto ₹ 10,000 Crore, apart from temporary loan to be obtained from the Bankers, Financial Institutions or from other sources whether unsecured and secured as per Section 180(1)(c) of the

Companies Act, 2013 and creation of mortgage/hypothecation/pledge/charges/security on the properties of the Company in the favour of lenders, in respect of borrowings made by the Company from time to time, as per Section 180(1)(a) of the Companies Act, 2013.

**For Bhandari & Associates
Company Secretaries**

S. N. Bhandari
FCS No: 761; CP. No: 366
Mumbai | 2nd July, 2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

To,
The Members,
Rashtriya Chemicals and Fertilizers Limited
(CIN: L24110MH1978GOI020185)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Bhandari & Associates
Company Secretaries**

S. N. Bhandari
FCS No: 761; CP. No: 366
Mumbai | 2nd July, 2015

ANNEXURE - III**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]****A. Conservation of Energy**

In order to save and conserve energy, your Company undertook various steps during the year 2014-15. Several modifications in the plants have resulted in significant reduction in the energy consumption.

(I) Steps taken for conservation of energy

A few of the measures undertaken are as follows:

TROMBAY UNIT✿ **Ammonia I Plant:**

- Variable Frequency Drier provided to the Cooling Tower fan 'C' and it was run on reduced speed to save energy without affecting the plant process parameters.
- Replacement of 2 nos. Cooling Tower fan shaft with light weight composite fiber shaft.
- Optimization of flow of Rich MDEA through hydraulic turbine.

✿ **Methanol Group:**

- Energy efficient motor being installed in Methanol and Methyl Amine Storage area.

✿ **New Steam Generation Plant:**

- Replacement of insulation of furnace walls of all the boilers.

✿ **Suphala:**

- Secondary air duct modification of Furnace and hot air duct replacement of spherodizer.
- Insulation provision on DC-202/203 reactors.

✿ **ANP:**

- Optimized use of Unground rock :Unground rock system strengthened further feeding belt outlet chute modified, vent line of bigger size provided, mesh provided at star valve outlet.

✿ **Nitric Acid Group Plant:**

- HP Nitric Acid Plant - Installation of steam turbine driven for Boiler Feed Water pump.

✿ **STP:**

- Installation of Variable Frequency Drier for Reverse Osmosis (RO) feed water pumps of RO Reject Recycle plant

✿ **Electrical Workshop/EES:**

- Replacement of 605 Nos. conventional light fittings with energy efficient LED type fittings for factory.

THAL UNIT

- Advanced process control implemented in both the Ammonia streams.
- Installed 1247 nos. of LED light fittings inside the factory`
- HP Heater in Steam generation plant replaced.
- Peek wear rings installation in to DM pump (MP 3411 A/B)
- Energy efficient motor was installed in Water Treatment Plant -II

Additional investment and proposals being implemented for reduction of consumption of energy:✿ **Ammonia Plant**

- Installation of Fuel Natural Gas pre-heater to preheat NG fuel. Total NG fuel will be preheated with hot stripper condensate at 120 deg C. Expected energy saving is 0.005 Gcal/MT of Ammonia. Tapping for exchanger in Ammonia Line-II is provided. Estimated cost of implementation is ₹ 95 Lakh.
- Advance heating scheme for methantor for reducing plant start-up time. Tapping is provided in Line-II. Start-up time is expected to be reduced by about 8-10 hrs. Estimated cost of implementation is ₹ 25 Lakh. The scheme shall be implemented in the planned shutdown of ammonia plant in October 2015.

✿ **Urea Plant**

Installation of Ammonia pre-heater in Urea-11 and Urea-21 in October 2015. Estimated cost of implementation is ₹ 10 Crore.

✿ **Steam Generation Plant**

Installation of Gas Turbine (GT) of capacity 2 x 25 MW (Industrial heavy duty Gas Turbo Generator) at site condition at 40°C and 80% RH along with 2 x 100 TPH Heat Recovery Steam Generator (HRSG) at the battery limit of GT-HRSG (Excluding internal consumption of both power and steam Generator) along with associated facilities. In Ammonia & Argon plants total 15 no. condensing Turbo driven equipment will be converted to motor. Existing Steam driven Turbo Generators (STG) of 2 x 15 MW will be stopped. Expected energy saving is to the tune of 0.354 Gcal/MT Urea. Estimated cost is ₹ 362.82 Crore.

II. Steps taken by the Company for utilising alternate sources of energy:

TROMBAY UNIT

- Installed 5 rooftop solar power generation facilities atop our offices.
- Lined up contract to set up 2 MWp Grid connected Photovoltaic Solar power plant within factory premise.

THAL UNIT

- A study of Solar Power Plant installation in RCF-Thal is being carried out.

(III) The capital investment on energy conservation equipment

Sl No.	Plant	Capital investments on energy conservation equipments (in ₹ Lakh)	Energy savings	Financial saving (in ₹ Lakh per annum)
A.	TROMBAY UNIT			
1	Ammonia I Plant			
i	VFD provided to the CT fan 'C' and it is running on 2/3 rd RPM to save energy without affecting the plant process parameters.	0.50	8.18 (kW/hr)	5.18
ii.	2 nos. of Cooling Tower fan shafts replaced with light weight composite fibre shaft.	2.50	2.52 (kW/hr)	1.60
iii.	The flow of rich MDEA optimized through hydraulic turbine (PT1) to reduce load on Semi lean Solution pump motor.	Nil	106.00 (kW/hr)	67.00
2.	Methanol Group			
I	Energy efficient motors (39 Nos.) installed in Methanol and Methyl Amine Plant and Storage area..	11.57	3.83 (kW/hr)	2.40
3.	New Steam Generation Plant			
i.	Insulation of furnace walls of all the three service boilers replaced with Light Resin Bonding (LRB) insulation.	19.00	65 SM3/hr Natural Gas	40.00
4.	Suphala			
i.	Modification of secondary air duct of Furnace and replacement of hot air duct of spherodizers.	30.00	60 SM3/hr Natural Gas	55.00
ii.	Suphala plant Reactors DC-202/203 are insulated.	1.20	32 SM3/hr Natural Gas	29.00
5.	ANP			
i.	Use of Unground rock is optimized by carrying out modification. Load of rock grinding unit is reduced.	136.00	145.80 (kW/hr)	92.00
6.	Nitric Acid Group Plant			
i.	Motor of BFW pump (KP006) replaced with back pressure steam turbine in HPNA Plant for letting down steam pressure from 40 Ata to 12 Ata.	130.00	75.00 (kW/hr)	47.50
7.	STP			
i.	VFD provided for one no.RO feed water pump of RO Reject Recycle plant to control flow.	3.00	7.00 (kW/hr)	4.40
8.	Electrical Workshop/EES			
i.	605 Nos. of conventional light fittings replaced with energy efficient LED type fittings for factory.	15.50	40.15 (kW/hr)	25.50

B.	THAL UNIT	Capital investments on energy conservation equipments (in ₹ Lakh)	Energy savings	Financial saving (in ₹ Lakh per annum)
1.	Advance process control implemented in both the Ammonia streams.	122	34650 Gcal/year	478
2.	Installed 1247 nos. of LED light fittings inside the factory`	23.13	314.91 MWh/year	15.92
3.	HP Heater in Steam generation plant replaced.	100	42226 Gcal/year	551.46
4.	Peek wear rings installation in to DM pump (MP 3411 A/B)	1.23	9.636 MWh/year	0.49
5.	Energy efficient motor was installed in WTP-II	2.22	12.700 MWh/year	0.64

B. TECHNOLOGY ABSORPTION

- I. Major efforts made towards technology absorption: Refer section 2.8.0 in the Directors Report.
- II. The benefits derived like product improvement, cost reduction, product development or import substitution: Refer section 2.8.0 in the Directors Report.
- III. Information regarding imported technology (Imported during last three years)

Sr. No	Details of Technology Imported during last three years	Year of import	Has technology been fully absorbed	If not, area where this has not taken place, reasons thereof and future plan of action
	Nil	Nil	Nil	Nil

- IV. The expenditure incurred on Research and Development

Sl No.	Particulars	Amounts (₹ in Lakh)
1.	Capital	28.45
2.	Recurring	495.86
3.	Total	524.31
4.	Total R &D expenditure as a percentage of total turn-over	0.07%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i.	Total foreign exchange earned	₹ 0.73 Crore
ii.	Total foreign exchange used	₹ 211.31 Crore

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L24110MH1978GOI020185
(ii)	Name of the Company	Rashtriya Chemicals and Fertilizers Limited
(iii)	Category/Sub-category of the Company	Company Limited by Shares/ Union Government Company
(iv)	Address of the Registered Office and contact details	“Priyadarshini”, Eastern Express Highway, Sion, Mumbai- 400 022. Tel No.022 25523114/3118
(v)	Whether Listed Company	Yes
(vi)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai- 400 078. Tel No.022 25963838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service *	% to total turnover of the Company #
1.	Urea	20121	55.80
2.	Complex Fertilizers	20122	20.60
3.	Industrial Chemicals	20119	14.24

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES

Sl No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associates	% of shares held	Applicable Section
1.	Rajasthan Rashtriya Chemicals and Fertilizers Limited	U24129RJ2007GOI025087	Subsidiary	51	2(87)
2.	Urvarak Videsh Limited	U24120DL2008GOI181057	Associates	33.33	2(6)
3.	FACT- RCF Building Products Limited	U26992KL2008PLC022347	Associates	50	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00	No Change
b) Central Govt.or State Govt.	441353888	0	441353888	80.00	441353888	0	441353888	80.00	0.00	No Change
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	No Change
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00	No Change
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00	No Change
SUB TOTAL (A) (1)	441353888	0	441353888	80.00	441353888	0	441353888	80.00	0.00	
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	No Change
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00	No Change
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	No Change
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	No Change
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00	No Change
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	441353888	0	441353888	80.00	441353888	0	441353888	80.00	0.00	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	2147	18800	20947	0.00	151668	18800	170468	0.03	0.03	Increase
b) Banks/FI	22871933	0	22871933	4.15	2664280	0	2664280	0.48	-3.66	Decrease
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00	No Change
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	No Change
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00	No Change
f) Insurance Companies	40678428	0	40678428	7.37	35413151	0	35413151	6.42	-0.95	Decrease
g) FIIS	149996	0	149996	0.03	16046886	0	16046886	2.91	2.88	Increase
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	No Change

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
i) Unit Trust of India	0	2400	2400	0.00	0	2400	2400	0.00	0.00	No Change
SUB TOTAL (B)(1)	63702504	21200	63723704	11.55	54275985	21200	54297185	9.84	-1.71	
(2) Non Institutions										
a) Bodies corporates										
i) Indian	9847616	12601	9860217	1.79	8069188	12601	8081789	1.46	-0.32	Decrease
ii) Overseas	0	900	900	0.00	0	900	900	0.00	0.00	No Change
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	25205085	147772	25352857	4.60	30568402	118272	30686674	5.56	0.97	Increase
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	9316761	277400	9594161	1.74	10836383	965200	11801583	2.14	0.40	Increase
c) Others (specify)										
Non Resident Indians (Repat)	527617	585000	1112617	0.20	695568	0	695568	0.13	-0.08	Decrease
Non Resident Indians (Non Repat)	145153	0	145153	0.03	153182	0	153182	0.03	0.00	Increase
Foreign Nationals	500	0	500	0.00	340	0	340	0.00	0.00	No Change
Clearing Member	525803	0	525803	0.10	1372214	0	1372214	0.25	0.15	Increase
Foreign Portfolio Investor (Corporate)	0	0	0	0.00	3226477	0	3226477	0.58	0.58	Increase
Trusts	18300	0	18300	0.00	18300	0	18300	0.00	0.00	No Change
SUB TOTAL (B)(2)	45586835	1023673	46610508	8.45	54940054	1096973	149258051	27.05	18.61	
Total Public Shareholding (B)= (B)(1)+(B)(2)	109289339	1044873	110334212	20.00	109216039	1118173	110334212	20.00	0.0000	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	550643227	1044873	551688100	100.00	550569927	1118173	551688100	100.00	0.00	

(ii) Share Holding of Promoters

Sl No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India	441353888	80.00	0	441353888	80.00	0	0
	TOTAL	441353888	80.00	0	441353888	80.00	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	No Change during the year			
	Date wise Increase/ Decrease in Promoters Share Holding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer /bonus /sweat equity etc.)	No Change during the year			
	At the End of the year	No Change during the year			

(iv) Shareholding Pattern of top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Life Insurance Corporation of India	3,69,53,766	6.70	1 st April, 2014				
				6 th June, 2014	(2,30,000)	Transfer	3,67,23,766	6.66
				13 th June, 2014	(2,00,000)	Transfer	3,65,23,766	6.62
				4 th July, 2014	(70,000)	Transfer	3,64,53,766	6.61
				8 th August, 2014	(40,000)	Transfer	3,64,13,766	6.60
				12 th September, 2014	(50,000)	Transfer	3,63,63,766	6.59
				7 th November, 2014	(50,000)	Transfer	3,63,13,766	6.58
				9 th January, 2015	(7,67,000)	Transfer	3,55,46,766	6.44
				16 th January, 2015	(8,25,693)	Transfer	3,47,21,073	6.29
				23 rd January, 2015	(18,29,654)	Transfer	3,28,91,419	5.96
				30 th January, 2015	(12,02,892)	Transfer	3,16,88,527	5.74
				6 th February, 2015	(1,54,819)	Transfer	3,15,33,708	5.72
				27 th February, 2015	(2,23,139)	Transfer	3,13,10,569	5.68
				6 th March, 2015	(5,48,869)	Transfer	3,07,61,700	5.58
13 th March, 2015	(2,000)	Transfer	3,07,59,700	5.58				
			31st March, 2015			3,07,59,700	5.58	

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2	Bajaj Allianz Life Insurance Company Limited	48,87,544	0.89	1 st April, 2014				
				30 th May, 2014	(3,01,000)	Transfer	45,86,544	0.83
				18 th July, 2014	(12,78,900)	Transfer	33,07,644	0.60
				25 th July, 2014	(2,00,000)	Transfer	31,07,644	0.56
				22 nd August, 2014	(3,50,000)	Transfer	27,57,644	0.50
				29 th August, 2014	(1,00,000)	Transfer	26,57,644	0.49
				5 th September, 2014	(10,57,644)	Transfer	16,00,000	0.29
				7 th November, 2014	(1,00,000)	Transfer	15,00,000	0.28
				28 th November, 2014	(1,00,000)	Transfer	14,00,000	0.25
				5 th December, 2014	(50,000)	Transfer	13,50,000	0.24
				16 th January, 2015	(5,00,000)	Transfer	8,50,000	0.15
				23 rd January, 2015	(2,00,000)	Transfer	6,50,000	0.12
				13 th February, 2015	(6,50,000)	Transfer	0	0.00
				31 st March, 2015			0	0.00
3	State Bank of India	38,09,926	0.69	1 st April, 2014				
				23 rd May, 2014	(7,14,097)	Transfer	30,95,829	0.56
				30 th May, 2014	(7,20,000)	Transfer	23,75,829	0.43
				18 th July, 2014	(10,05,000)	Transfer	13,70,829	0.25
				25 th July, 2014	(7,75,000)	Transfer	5,95,829	0.11
				1 st August, 2014	(2,26,000)	Transfer	3,69,829	0.07
				22 nd August, 2014	(1,20,000)	Transfer	2,49,829	0.05
				29 th August, 2014	(2,49,829)	Transfer	0	0.00
				19 th September, 2014	90,000	Transfer	90,000	0.02
				30 th September, 2014	(90,000)	Transfer	0	0.00
				24 th October, 2014	1,00,000	Transfer	1,00,000	0.02
				7 th November, 2014	80,000	Transfer	1,80,000	0.03
				14 th November, 2014	(1,80,000)	Transfer	0	0.00
				31 st March, 2015			0	0.00
4	The New India Assurance Company Limited	25,67,928	0.47	1 st April, 2014				
				28 th November, 2014	(50,000)	Transfer	25,17,928	0.46
				5 th December, 2014	(1,25,926)	Transfer	23,92,002	0.43
				12 th December, 2014	(24,074)	Transfer	23,67,928	0.43
				31 st March, 2015			23,67,928	0.43
5	Jagdish Amritlal Shah	22,19,000	0.40	1 st April, 2014				
				31 st March, 2015			22,19,000	0.40
6	Oriental Bank of Commerce	15,27,585	0.28	1 st April, 2014				
				23 rd May, 2014	(8,50,000)	Transfer	6,77,585	0.13
				30 th May, 2014	(2,33,600)	Transfer	4,43,985	0.08
				6 th June, 2014	(3,02,500)	Transfer	1,41,485	0.03
				13 th June, 2014	(1,41,485)	Transfer	0	0.00
31 st March, 2015			0	0.00				

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Dena Bank	15,26,059	0.28	1st April, 2014				
				6 th June, 2014	(11,000)	Transfer	15,15,059	0.27
				13 th June, 2014	(1,15,059)	Transfer	14,00,000	0.25
				30 th June, 2014	(10,000)	Transfer	13,90,000	0.25
				22 nd August, 2014	(20,914)	Transfer	13,69,086	0.25
				19 th September, 2014	(41,100)	Transfer	13,27,986	0.24
				30 th January, 2015	(70,500)	Transfer	12,57,486	0.23
				20 th February, 2015	(1,50,000)	Transfer	11,07,486	0.20
				27 th February, 2015	(1,55,924)	Transfer	9,51,562	0.17
				6 th March, 2015	(1,20,401)	Transfer	8,31,161	0.15
			31st March, 2015			8,31,161	0.15	
8	Bank of India	15,26,058	0.28	1st April, 2014				
				20 th June, 2014	(4,01,080)	Transfer	11,24,978	0.20
				30 th June, 2014	(95,744)	Transfer	10,29,234	0.19
				4 th July, 2014	(1,00,000)	Transfer	11,29,234	0.20
				28 th November, 2014	(9,51,166)	Transfer	1,78,068	0.03
				5 th December, 2014	(1,78,068)	Transfer	0	0.00
							31st March, 2015	
9	IDBI Bank Limited	15,26,058	0.28	1st April, 2014				
				23 rd May, 2014	(13,26,058)	Transfer	2,00,000	0.03
				6 th June, 2014	(1,50,000)	Transfer	50,000	0.01
				13 th June, 2014	(50,000)	Transfer	0	0.00
							31st March, 2015	
10	Canara Bank	15,12,310	0.28	1st April, 2014				
				23 rd May, 2014	(45,000)	Transfer	14,67,310	0.27
				30 th May, 2014	(1,00,256)	Transfer	13,67,054	0.25
				6 th June, 2014	(42,500)	Transfer	13,24,554	0.24
				13 th June, 2014	(1,42,000)	Transfer	11,82,554	0.21
				20 th June, 2014	(78,517)	Transfer	11,04,037	0.20
				30 th June, 2014	(15,000)	Transfer	10,89,037	0.20
				22 nd August, 2014	(40,000)	Transfer	10,49,037	0.19
				12 th September, 2014	(1,18,000)	Transfer	9,31,037	0.17
				19 th September, 2014	(55,000)	Transfer	8,76,037	0.16
				7 th November, 2014	(1,00,000)	Transfer	7,76,037	0.14
				14 th November, 2014	(1,06,443)	Transfer	6,69,594	0.12
				21 st November, 2014	(2,45,000)	Transfer	4,24,594	0.08
				28 th November, 2014	(5,000)	Transfer	4,19,594	0.08
				12 th December, 2014	(22,000)	Transfer	3,97,594	0.08
				19 th December, 2014	(71,951)	Transfer	3,25,643	0.06
				31 st December, 2014	(75,000)	Transfer	2,50,643	0.04
27 th February, 2015	(5,000)	Transfer	2,45,643	0.04				
			31st March, 2015			2,45,643	0.04	

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
11	Central Bank of India	15,12,310	0.28	1 st April, 2014				
				23 rd May, 2014	(1,55,000)	Transfer	13,57,310	0.25
				30 th May, 2014	(45,000)	Transfer	13,12,310	0.24
				6 th June, 2014	(1,20,000)	Transfer	11,92,310	0.22
				13 th June, 2014	(65,000)	Transfer	11,27,310	0.20
				20 th June, 2014	(46,500)	Transfer	10,80,810	0.20
				30 th June, 2014	(70,000)	Transfer	10,10,810	0.18
				4 th July, 2014	(35,010)	Transfer	9,75,800	0.18
				8 th August, 2014	(1,61,252)	Transfer	8,14,548	0.15
				15 th August, 2014	(1,57,656)	Transfer	6,56,892	0.12
				22 nd August, 2014	(4,50,000)	Transfer	2,06,892	0.04
				29 th August, 2014	(25,000)	Transfer	1,81,892	0.03
				19 th September, 2014	(1,58,846)	Transfer	23,046	0.01
				7 th November, 2014	(23,046)	Transfer	0	0.00
				31 st March, 2015			0	0.00
12	GHI LTP Limited	0	0.00	1 st April, 2014				
				13 th June, 2014	17,81,800	Transfer	17,81,800	0.32
				20 th June, 2014	14,76,466	Transfer	32,58,266	0.59
				18 th July, 2014	7,39,200	Transfer	39,97,466	0.72
				1 st August, 2014	1,20,000	Transfer	41,17,466	0.75
				8 th August, 2014	62,000	Transfer	41,79,466	0.76
				19 th September, 2014	1,84,000	Transfer	43,63,466	0.79
				30 th September, 2014	3,82,000	Transfer	47,45,466	0.86
				31 st March, 2015			47,45,466	0.86
13	Merrill Lynch Capital Markets Espana S.A. S.V.	1,23,139	0.02	1 st April, 2014				
				6 th June, 2014	(14,000)	Transfer	1,09,139	0.02
				13 th June, 2014	(16,000)	Transfer	93,139	0.02
				20 th June, 2014	(53,000)	Transfer	40,139	0.01
				22 nd August, 2014	(3,707)	Transfer	36,432	0.01
				24 th October, 2014	1,48,510	Transfer	1,84,942	0.03
				7 th November, 2014	96,641	Transfer	2,81,583	0.05
				14 th November, 2014	-14,322	Transfer	2,67,261	0.05
				21 st November, 2014	99,939	Transfer	3,67,200	0.07
				28 th November, 2014	1,25,732	Transfer	4,92,932	0.09
				5 th December, 2014	5,63,000	Transfer	10,55,932	0.19
				12 th December, 2014	3,71,848	Transfer	14,27,780	0.26
				19 th December, 2014	1,66,624	Transfer	15,94,404	0.29
				16 th January, 2015	35,367	Transfer	16,29,771	0.30
				23 rd January, 2015	57,631	Transfer	16,87,402	0.31
				30 th January, 2015	4,00,439	Transfer	20,87,841	0.38
				27 th February, 2015	34,288	Transfer	21,22,129	0.38
13 th March, 2015	1,19,512	Transfer	22,41,641	0.41				
31 st March, 2015			22,41,641	0.41				

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
14	GHI JDB Limited	0	0.00	1 st April, 2014				
				13 th June, 2014	7,45,050	Transfer	7,45,050	0.14
				20 th June, 2014	6,23,583	Transfer	13,68,633	0.25
				18 th July, 2014	3,12,200	Transfer	16,80,833	0.30
				1 st August, 2014	56,000	Transfer	17,36,833	0.31
				8 th August, 2014	26,000	Transfer	17,62,833	0.32
				19 th September, 2014	76,000	Transfer	18,38,833	0.33
				30 th September, 2014	1,64,000	Transfer	20,02,833	0.36
				31 st March, 2015			20,02,833	0.36
15	Swiss Finance Corporation (Mauritius) Limited	0	0.00	1 st April, 2014				
				24 th October, 2014	1,16,461	Transfer	1,16,461	0.02
				31 st October, 2014	79,436	Transfer	1,95,897	0.04
				21 st November, 2014	1,22,172	Transfer	3,18,069	0.06
				28 th November, 2014	1,34,024	Transfer	4,52,093	0.09
				5 th December, 2014	1,29,292	Transfer	5,81,385	0.11
				12 th December, 2014	1,11,487	Transfer	6,92,872	0.13
				23 rd January, 2015	3,29,069	Transfer	10,21,941	0.19
				30 th January, 2015	1,12,172	Transfer	11,34,113	0.21
				13 th February, 2015	86,801	Transfer	12,20,914	0.22
				20 th February, 2015	71,668	Transfer	12,92,582	0.23
				13 th March, 2015	1,99,543	Transfer	14,92,125	0.27
				20 th March, 2015	62,618	Transfer	15,54,743	0.28
				27 th March, 2015	80,302	Transfer	16,35,045	0.30
31 st March, 2015			16,35,045	0.30				
16	GHI HSP Limited	0	0.00	1 st April, 2014				
				13 th June, 2014	5,03,150	Transfer	5,03,150	0.09
				20 th June, 2014	4,16,655	Transfer	9,19,805	0.17
				18 th July, 2014	2,08,600	Transfer	11,28,405	0.20
				8 th August, 2014	50,000	Transfer	11,78,405	0.21
				19 th September, 2014	52,000	Transfer	12,30,405	0.22
				30 th September, 2014	78,000	Transfer	13,08,405	0.24
				31 st March, 2015			13,08,405	0.24
17	Atyant Capital India Fund I	0	0.00	1 st April, 2014				
				19 th December, 2014	9,97,662	Transfer	9,97,662	0.19
				31 st March, 2015			9,97,662	0.19

Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
18	DB International (Asia) Limited	0	0.00	1 st April, 2014				
				5 th December, 2014	2,67,077	Transfer	2,67,077	0.05
				12 th December, 2014	1,61,139	Transfer	4,28,216	0.08
				16 th January, 2015	2,48,938	Transfer	6,77,154	0.12
				30 th January, 2015	1,15,295	Transfer	7,92,449	0.14
				6 th March, 2015	89,215	Transfer	8,81,664	0.16
				13 th March, 2015	1,01,679	Transfer	9,83,343	0.18
				31 st March, 2015			9,83,343	0.18

(V) Shareholding of Directors and Key Managerial Personnel

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	—	—	—	—
	Date wise Increase/ Decrease in Share Holding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer /bonus /sweat equity, etc.)	—	—	—	—
	At the End of the year	—	—	—	—

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but no due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1200.69	538.41	—	1739.10
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	2.07	3.59	—	5.66
Total (i+ii+iii)	1202.76	542.00	—	1744.76
Change in Indebtedness during the financial year				
• Addition	100.05	381.22	—	
• Reduction	265.93	—	—	
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount	1034.81	919.63	—	1954.44
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	2.46	3.50	—	5.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager

(in ₹)

SI No.	Particulars to Remuneration	Name of MD/WTD/Manager				Total Amount
		R. G. Rajan	C. M. T. Britto	Ashok Ghasghase	Suresh Warior (from 18.07.2014)	
1.	Gross Salary					
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,03,716	30,53,037	30,08,940	15,81,349	1,17,47,042
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6,55,559	4,67,421	4,71,753	2,57,766	18,52,499
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission - as % of Profit - others, specify ...	— —	— —	— —	— —	— —
5.	Others i.e. PF, Pension and Leave encashment	3,73,845	3,18,369	3,17,074	1,58,368	11,67,656
	Total (A)	51,33,120	38,38,827	37,97,767	19,97,483	1,47,67,197
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other directors

(in ₹)

SI No.	Particulars of Remuneration	Name of Directors	Total Amount
		Prof. Damodar Acharya	
1	Independent Directors		
	• Fee for attending board committee meetings	2,50,000	2,50,000
	• Commission	—	—
	• Others, please specify	—	—
	Total (1)	2,50,000	2,50,000
2.	Other Non-Executive Directors		
	• Fee for attending board committee meetings	—	—
	• Commission	—	—
	• Others, please specify	—	—
	Total (2)	—	—
	Total (B)= (1+2)	2,50,000	2,50,000
	Total Managerial Remuneration	—	1,50,17,197
	Overall Ceiling as per the Act	N. A.	N.A.

C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd

Sl No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary (K. C. Prakash upto 31 st July, 2014)	Company Secretary (D. M. Sati from 1 st August, 2014)	CFO (R. H. Kulkarni from 13 th May to 17 th July 2014)	
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Not applicable	33,02,066	14,16,478	3,53,089	50,71,633
			2,11,405	1,62,884	52,963	4,27,252
			-	-	-	-
2.	Stock Option		-	-	-	-
3.	Sweat Equity		-	-	-	-
4.	Commission - As % of profit - Others, specify		-	-	-	-
5.	Others, i.e. PF, Pension and Leave encashment		11,54,325	1,70,785	49,324	13,74,434
	Total		46,67,796	17,50,147	4,55,376	68,73,319

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /punishment/compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. Other officer in Default					
Penalty	Nil				
Punishment					
Compounding					

NOTE ON CORPORATE GOVERNANCE

1.1.0 Company's Philosophy:

The Company believes that sound corporate governance is fundamental to the enhancement of the value of the Company and its long term growth. Based on the core principles of fairness, transparency and accountability, the Company strives to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture.

1.2.0 Compliance with Clause 49 of the Listing Agreement:

Your Company being a Public Sector Undertaking, the Directors are appointed/ nominated by President of India. The Board presently consists of Seven Directors comprising of Four Executive Directors including Chairman and Managing Director and three Non-executive Directors. Out of three Non-executive Directors, two Official (Govt.) Directors are non-independent and hence the composition of the Board is not as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. Except for this, the Company has complied with all the requirements of Clause 49 of the Listing Agreement. Your Company has been continuously following up with the Government for appointment of independent directors and it is given to understand that the Government is likely to appoint soon, requisite Independent directors including one woman director. The present Non-executive Directors and Independent Director have been on the Board of other Companies and have rich experience in managing the business. The whole-time functional Directors are professionals in their respective fields having long and varied experience in varied Industries.

2.0.0 Board of Directors:

2.1.0 Composition of the Board:

Board comprises of the following members:

Sl No	Name	Category
1	Shri R.G. Rajan	Whole-time Chairman and Managing Director (Chief Executive Officer)
2	Shri Sham Lal Goyal, IAS	Non-Executive Director – Govt. Nominee

Sl No	Name	Category
3	Shri S.C. Gupta, IAS [upto 2.7.2014]	Non-Executive Director – Govt. Nominee.
4	Shri S.K.Lohani, IAS [from 2.7.2014]	Non-Executive Director – Govt. Nominee
5	Shri C.M.T. Britto	Whole-time Director [Technical]
6	Shri Ashok B. Ghasghase	Whole-time Director [Marketing]
7	Prof. Damodar Acharya	Non-Executive –Independent Director
8	Shri Suresh Warior (from 18.7.2014)	Whole-time Director (Finance) and Chief Financial Officer

2.2.0 BOARD OF DIRECTORS

The brief profile of the Company's Board of Directors is as under:

2.2.1 Shri R. G. Rajan, Chairman and Managing Director

Shri R.G. Rajan has taken over charge as Chairman & Managing Director of Rashtriya Chemicals & Fertilizers Limited on 3rd November, 2010. Prior to this appointment, Shri Rajan was Chairman and Managing Director of Projects & Development India Ltd (PDIL), Noida.

Shri R. G. Rajan is a graduate in Chemical Engineering from Institute of Technology, Banaras Hindu University. He has also done MBA from Strathclyde Business School, Glasgow, U.K. He has more than 34 years of experience in the field of Conceptual Design, Process Design and Project Management. Areas of expertise include Gas Pipelines, LPG Pipelines, Gas Processing Plants, Petro-chemicals.

He started his career with Engineers India Limited where he worked for 5 years. For the next 21 years he has served GAIL (India) Ltd. New Delhi where he rose to the position of Executive Director (Project Development) prior to taking up the position of Chairman & Managing Director, Projects & Development India Ltd., Noida on 8th January, 2007. At PDIL he was instrumental in more than doubling of the turnover and trebling of profits. At RCF, he has given special thrust to the revamping of the existing plants to bring down energy consumption, improve production of fertilizers and achieve reliability in operations and safety for consolidation of the existing plants. He also spearheaded the Company in pursuing a number of new projects with an ambitious capex plan

for creating additional fertilizer production capacities, both in India and abroad, to take RCF to the next level of growth and attaining 'Navratna' status.

He is a Six Sigma Black Belt holder and an Energy Auditor, accredited by Bureau of Energy Efficiency. He has to his credit several articles in reputed national journal.

2.2.2 Shri C. M. T. Britto, Director(Technical)

Shri C. M. T. Britto has been appointed by the Government of India as Director (Technical) of M/s Rashtriya Chemicals and Fertilizers Limited w.e.f. 11th April, 2012. Shri Britto holds a Chemical Engineering degree from National Institute of Technology Karnataka (NITK), Surathkal (formerly known as KREC).

He joined the company in 1980 as Management Trainee. In his long career spanning more than 34 years, he has worked in various capacities in Technical Services, Ammonia, Sulphuric acid, Concentrated Nitric Acid plants and in development of projects for the company. He has authored various technical articles in magazines of repute.

2.2.3 Shri Ashok Ghasghase, Director (Marketing)

Shri Ashok Ghasghase has been Director (Marketing) of the Company since 16th August, 2012. Shri Ashok Ghasghase, is a Honors graduate in Chemistry from Shivaji University and Law graduate from Lucknow University, Shri Ghasghase has done M.B.A. in Marketing. He joined RCF in the year 1980 as Management Trainee in marketing discipline.

During his 34 years of distinguished career, he has handled various assignments in MIS, Logistics and Trading department under Fertilizer Marketing. He was instrumental in setting up of Trading cell and building up of operational expertise in port handling at various major ports. Under his guidance, efficient Kandla port operations were a major success.

Shri Ghasghase was instrumental in increasing Company's business in the states like Maharashtra, Uttar Pradesh, Gujarat, Punjab and Haryana while holding different positions. He was felicitated for his outstanding performance in Uttar Pradesh. The Industrial Products Division [IPD] has also achieved higher turnover and healthy bottom line for Company during his tenure at IPD.

Shri Ghasghase has completed intensive courses in areas like Import-Export from Indian Institute of Foreign Trade (IIFT) New Delhi, Supply Chain

Management from Indian Institute of Management, Lucknow.

2.2.4 Shri Suresh Warrior, Director (Finance)

Shri Suresh Warrior, who has been appointed by President of India as Director (Finance) on the Board of the Company w.e.f. 18th July, 2014. Shri Warrior is a B.Com (Hons) from Delhi University and a Cost Accountant from Institute of Cost Accountants of India (ICAI). He joined the Company in August 1985 in the Finance Department. Prior to his elevation, he was General Manager (Corporate Finance). Shri Warrior has a very rich and varied experience in various facets of Financial Management.

He was deputed by the Company as Consultant to Fertilizer Industry Co-ordination Committee, Ministry of Chemicals and Fertilizers, Department of Fertilizers for computing and fixing prices of fertilizers applicable to various fertilizer companies. He has been associated with FICC as a consultant for numerous pricing exercises and his efforts have been well appreciated by FICC.

2.2.5 Shri Sham Lal Goyal, Government Nominee Director

Shri Sham Lal Goyal, IAS, was nominated by President of India. He was appointed as Director by the Board w.e.f. 12th November, 2010. Shri Goyal is an IAS officer and is presently Jt. Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, New Delhi. Shri Goyal was Chairman and Managing Director of FACT Limited, FCI Limited, HFC Limited and Director in Madras Fertilizers Limited. He has varied and rich experience in Government, in different positions, and has great managerial capabilities.

2.2.6 Shri Sushil Kumar Lohani, Government Nominee Director

Shri Sushil Kumar Lohani, IAS, was nominated by President of India. He was appointed as Director by the Board w.e.f. 2nd July, 2014. Shri Lohani is an IAS officer and is presently Jt. Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, New Delhi. He has varied and rich experience in Government, in different positions, and has great managerial capabilities.

2.2.7 Prof. Damodar Acharya, Independent Director

Prof. Damodar Acharya, was nominated as Independent Director by President of India. He was appointed as Director by the Board w.e.f. 30th January, 2014. He

holds a Bachelor's degree in Science (Mechanical Engineering) from NIT Rourkela, Masters and Ph.D from IIT Khargapur. Prof. Acharya has about thirty two years of diversified experience in teaching & research experience, including as Director, at IIT Khargapur, and in academic administration as Vice-Chancellor, Biju Patnaik University of Technology, Rourkela and Chairman, All India Council of Technical Education (AICTE), New Delhi. Prof. Acharya is a Director on the Central Board of Reserve Bank of India.

2.3.0 Board procedure:

2.3.1 As per the policy of your Company, apart from the matters which are required to be statutorily decided by the Board, all other major decisions involving

investments and capital expenditure, mobilization of resources, Employee's Compensation etc., and major issues such as monthly performance, progress of projects, Industrial relations, market scenarios, budgets and plans etc., are discussed in the meetings as regular agenda items by the Board. All items which are obligatory as per the Corporate Governance code to be brought in the Board meetings are regularly discussed. Detailed agenda notes are circulated generally about a week in advance of the Board meetings. During the year under report, 11 [Eleven] meetings were held by the Board viz. on 02.04.14, 02.05.14, 13&14.05.14, 19.06.14, 26.06.14, 13.08.14, 18.09.14, 14.10.14, 13.11.14, 17.12.14 and 06.02.15. The number of meetings attended by the Directors during the year are as under:

Name of Directors	Number of meetings required to attend	Number of meetings attended	Whether attended last AGM	Directorship in other companies		Membership in Board's Committees (including this Company)	
				As Chairman	As Director	As Chairman	As Member
Shri R.G. Rajan [Executive]	11	11	Yes	1	2	1	-
Shri Sham Lal Goyal, I.A.S.	11	07	No	-	-	2	2
Shri S. C. Gupta, I.A.S. (Upto 02.07.2014)	05	01	No	-	-	-	-
Shri S. K. Lohani (from 02.07.2014)	06	04	No	2	1	-	1
Shri C.M.T. Britto [Executive]	11	10	Yes	-	2	-	3
Shri Ashok B. Ghasghase, [Executive]	11	11	Yes	-	2	-	2
Shri Suresh Warior (From 18.07.2014) [Executive]	06	06	Yes	-	1	-	1
Prof. Damodar Acharya, Independent Director	11	11	Yes	-	-	2	2

2.3.2 The Board has constituted the following Committees

[i] Audit Committee:

The Audit Committee comprises of Prof. Damodar Acharya, as Chairman with Shri Sham Lal Goyal, CMT Britto and Shri Ashok Ghasghase as other members. Director [Finance], Chief Vigilance Officer and Chief Internal Auditor are the permanent invitees. The Company Secretary is the Secretary of the Committee. The constitution of the Audit Committee is not in accordance with Clause-49 of the Listing Agreement, which specifies that at least 2/3rd of members should be independent directors. The Statutory Auditors (after being appointed by CAG) and Cost Auditors are also

invited for the meetings. Other Senior Executives are invited as and when required. The terms of reference to the Committee is in accordance with the requirement of Clause 49 of the Listing Agreement and include, inter-alia, (i) overseeing of the Company's financial reporting process and disclosure of information (ii) recommending the remuneration of Statutory Auditors (iii) reviewing the adequacy of internal control systems, compliance with accounting standards, guidelines and statutes (iv) reviewing the financial statements and performance of the Company. The Committee is entrusted with power to seek information

from any employee, to investigate, with the assistance of Internal Auditors, any activities/ functions and to seek any external assistance, if required.

During the year 2014-15, the Committee reviewed the audits conducted by Internal Audit Department, gave directions and sought further investigations and examinations, wherever necessary. The Committee also reviewed the financial statements before submitting to the Board and emphasized the importance of internal Control Systems. All the recommendations of the Audit Committee were accepted and implemented.

During the year, the Audit Committee met 5 [Five] times on 13.05.14, 19.06.14, 12.08.14, 13.11.14 and 06.02.15 and the attendance was as under:

Name of Director	Number of meetings held	Number of meetings attended.
Prof. Damodar Acharya	5	5
Shri Sham Lal Goyal	5	2
Shri C M T Britto	5	4
Shri Ashok B Ghasghase	1	1

[ii] Stakeholders Relations Committee:

The Stakeholders Relations Committee comprises of Shri Sham Lal Goyal, Chairman, Prof Damodar Acharya and Shri Ashok Ghasghase as Members and Company Secretary as Secretary. There have been no serious complaints made by any shareholder, during the year. A few routine letters received in connection with non-receipt of annual report, dividend warrants etc., have been attended to promptly and no complaint is pending with your Company. During the year, 27 complaints were received and all have been attended to. Regular reports have been sent to SEBI and Stock Exchanges in this respect.

[iii] Share Transfer Committee:

The Share Transfer Committee comprises of Shri R. G. Rajan as Chairman, Shri C. M. T. Britto and Shri Suresh Warior as members. This committee regularly met to effect transfer of shares, and there are no pending cases for transfer.

[iv] Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Prof. Damodar Acharya as Chairman, Shri Sham Lal Goyal and Shri S. K. Lohani as Members. During the year 2014-15, the Committee met two (2) times on 18.09.14 and 14.10.14.

[v] Committee on Corporate Social Responsibility (CSR):

Your Board constituted a committee of CSR comprising of Shri Sham Lal Goyal as Chairman, Prof. Damodar Acharya, Independent Director and Shri C.M.T. Britto, Director [Technical] as members to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company, recommend to the Board the amount of expenditure to be incurred on CSR activities and monitor the CSR policy of the Company from time to time. The Committee met two(2) times on 13.05.14 and 17.12.14.

2.3.3 Remuneration / Sitting fee :

Functional (Executive) Directors are appointed by President of India in accordance with Article 81(1) of the Articles of Association of the Company and their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. While the Chairman and Managing Director is appointed in Schedule 'A' scale i.e. ₹ 80,000-1,25,000/-, the other functional Directors are in Schedule 'B' Scale i.e. ₹ 75,000-1,00,000/-. All the other terms and conditions of appointment such as accommodation, provision of car etc., are same for all and are specified in their respective appointment orders. Any other terms not specified in the said order are in accordance with the rules applicable to the employees of your Company. Remuneration paid to the Directors during the year is as under:

Name	Amount (₹ in Crore)
Shri R.G. Rajan	0.51
Shri C.M.T. Britto	0.38
Shri Ashok. B. Ghasghase	0.38
Shri Suresh Warior (from 18 th July,2014)	0.20

The Non-executive Independent Directors are not paid any remuneration. They are only paid sitting fee, for attending the Board Meetings/ Committee meetings, as decided and approved by the Board.

During the year 2014-15, an amount of ₹ 2,50,000/- was paid, as sitting fees, to Prof. Damodar Acharya.

The Government Nominee Directors are not paid any sitting fee for attending the meetings.

3.0.0 Code of Conduct for Directors and Senior Management Personnel:

All Directors and Senior Management Personnel have complied with the code and the compliance of the same and have been affirmed by them to that effect. A declaration signed by Chairman and Managing Director is given below:

This is to certify that in line with the requirement of Clause 49 of the Listing Agreement, all the Directors of the Board and Sr. Management personnel have affirmed that to the best of their knowledge and belief, they have complied with the provisions of the 'Code of Conduct for the Directors and Senior Management' during the financial year 2014-15.

R. G. Rajan
Chairman and Managing Director
20th May, 2015

4.0.0 CEO/CFO CERTIFICATION FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2015.

This is to certify that:-

- A. We have reviewed financial statements for the financial year ended 31st March, 2015 and the cash flow statement for the year and that to the best of our knowledge and belief :
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:

- significant changes in internal control over financial reporting during the year 2014-15;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

- E. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Suresh Warior
Director [Finance]
& CFO

R.G. Rajan
Chairman and
Managing Director

Place: Mumbai
Date: 20th May, 2015

5.0.0 Annual General Meeting [AGM]:

5.1.0 The details of the last three AGMs held are as under:

Financial Year	Time and Date	Venue
2013-14	3 p.m. on 19.09.14	"Sivaswamy Auditorium", Fine Arts Society, Mumbai 400 071.
2012-13	3 p.m. on 30.08.13	"Sivaswamy Auditorium", Fine Arts Society, Mumbai 400 071.
2011-12	3 p.m. on 31.08.12	"Sivaswamy Auditorium", Fine Arts Society, Mumbai 400 071.

5.2.0 Details of Resolution passed through Postal Ballot, the person who conducted the Postal Ballot exercise and details of voting pattern:

5.2.1

During the year, the members of the Company have approved the following resolutions through Postal Ballot :

Resolution 1: Giving powers to the Board to borrow upto ₹ 10,000 Crore, apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business, as per Section 180(1) (c) of the Companies Act, 2013.

Resolution 2: Creation of charges on the moveable and immoveable properties of the Company, both present and future, in respect of borrowings made by the Company from time to time, as per Section 180(1)(a) of the Companies Act, 2013.

5.2.2 Voting Pattern and Procedure for Postal Ballot:

- a. The Board of Directors of the Company had appointed Mr. B. V. Dholakia as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- b. The Company had completed the dispatch of the Postal Ballot Notice dated 26th June, 2014 along with the Explanatory Statement, forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 4th July, 2014.
- c. The voting under the postal ballot was kept open from 14th July, 2014 to 13th August, 2014 (either physically or through electronic mode).
- d. Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- e. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- f. All postal ballot forms received/receivable up to the close of working hours on 13th August, 2014, the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- g. Envelopes containing postal ballot forms received after close of business hours on 13th August, 2014 had not been considered for his scrutiny.
- h. On 16th August, 2014, Shri R. G. Rajan, Chairman and Managing Director announced the following results of the postal ballot as per the Scrutinizer's Report:

Particulars	Resolution No.1	Resolution No.2
Number of Valid Votes Received	44,15,25,433	44,15,19,292
Votes in favour	44,15,20,105	44,15,12,259
Votes Against	5,328	7,033
% of Votes in favour	99.99	99.99

6.0.0 Disclosures:

6.1.1 Materially significant related party transactions:

There are no related party transactions entered into by your Company with the promoters, Directors or

Management and their subsidiaries or relatives etc., that may have a potential conflict in the interest of your Company.

6.1.2 Your Company has complied with all the provisions of the Companies Act, Listing Agreement with Stock Exchanges, SEBI guidelines, and other authorities on any matter related to capital markets during last 3 years.

6.1.3 Whistle blower policy:

The Company has instituted procedures for the receipt, retention and dealing with complaints. No person has been denied access to the Audit Committee.

Your Company has put in place a fraud prevention policy. As a part of compliance with the policy, Company has appointed nodal officers for Trombay, Thal, Marketing and Corporate Office. The fraud prevention policy has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and for dealing in matters pertaining to fraud. During the year under review, no such cases were reported in year 2014-15.

In addition, your Company has Vigilance Department to bring greater transparency, integrity and efficiency. The focus of Vigilance department is on Preventive and Participative Vigilance.

6.1.4 The Company has complied with all mandatory requirements of Cl. 49 of the Listing Agreement, except to the extent of composition of Board and Audit Committee, due to non-appointment of independent directors on the Board.

6.1.5 Trading in your Company's shares by Directors and designated Employees:

None of the Directors holds shares in your Company.

7.0 Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

8.0.0 Means of Communication

The un-audited quarterly, first half yearly (as reviewed by Chartered Accountants) as well as the audited annual financial results of your Company were published in prominent newspapers on all India basis, as per the requirements of the Stock Exchanges/SEBI, though none of them were specifically sent to each house hold of shareholders. The information is also made available on Company's website (www.refltd.com). Notices required as per Companies Act and the listing Agreements were also published in accordance with the requirements.

9.0.0 Management Discussion & Analysis Report

Management discussion & Analysis Report forms part of the Directors' Report.

10.0.0 General Shareholder information:

10.1.0 Your Company has appointed M/s Link Intime India

Pvt. Limited, C-13, Pannalal Silk Mill Compound, Bhandup, Mumbai 400 078, as the Registrar and Transfer agents. The Share Transfer Agents have also service centers at Delhi, Kolkata, Coimbatore, Ahmedabad, Pune and Vadodara where also the transfer deeds and other correspondence are accepted. All requests received for transfer through the investors' Depository Participants (DP) are processed through NSDL/CDSL and downloaded periodically by the Registrar and records updated. Requests for transfer in physical form received are effected within a fortnight.

10.2.0 During the year, your Company's shares were actively traded on BSE and NSE. The shares were traded in the range of a maximum of ₹ 74.75 [on 19th February, 2015] and minimum of ₹ 31.10 [on 15th April, 2014] at BSE. The monthly highest and lowest price of the shares is given below:

Sl No	Month	BSE Ltd							National Stock Exchange				
		Sensex	BSE PSU	RCF-High (₹)	RCF-Low (₹)	Shares [cr]	Trades	Value [₹ cr]	Nifty	RCF High (₹)	RCF Low (₹)	Shares [cr]	Value [₹ cr]
1	April 14	22417.80	6493.06	39.30	31.10	0.36	32606	12.90	6696.40	39.15	33.10	0.98	35.37
2	May 14	24217.34	8054.53	57.50	33.80	1.82	159845	91.73	7229.95	57.50	33.80	5.58	281.00
3	June 14	25413.78	8633.61	70.75	52.75	3.09	256427	194.81	7611.35	70.90	52.80	9.10	575.07
4	July 14	25894.97	8012.05	68.75	50.10	1.73	147559	102.35	7721.30	68.75	50.10	4.66	281.25
5	Aug 14	26638.11	8096.29	63.70	48.35	1.17	116227	65.80	7954.35	63.70	48.05	3.81	215.62
6	Sept 14	26630.51	7782.50	60.50	50.45	1.33	122233	75.05	7964.80	60.50	50.35	3.88	220.12
7	Oct 14	27865.83	8343.37	58.95	51.90	0.58	59407	31.82	8322.20	59.00	51.80	1.60	88.07
8	Nov 14	28693.99	8411.15	73.00	58.05	1.52	139827	102.80	8588.25	72.95	58.00	4.73	319.30
9	Dec 14	27499.42	8226.81	71.20	61.65	0.89	94913	60.20	8282.70	71.15	61.25	2.64	179.51
10	Jan 15	29182.95	8205.06	71.45	63.60	1.08	103243	72.45	8808.90	71.50	63.50	3.41	228.28
11	Feb 15	29361.5	8102.54	74.75	64.25	1.31	134684	90.53	8901.85	74.80	64.05	4.49	311.45
12	Mar 15	27957.49	7607.95	66.75	50.75	0.54	58257	32.50	8491.00	66.75	50.90	1.70	101.22

10.3.0 Out of the total 55,16,88,100 equity shares, 55,05,69,927 shares, i.e., 99.80% are in demated segment and only 11,18,173 i.e., 0.20% are in physical.

10.4.0 Your Company's financial year is 1st April, 2014 to 31st March, 2015. The Share holding pattern as on 31st March, 2015 is as under:

Category	No. of Shares	% of Holding
Promoters (GOI)	44,13,53,888	80.00
Institutions		
Mutual Funds and UTI	1,72,868	0.03
Financial institutions, Banks etc.	3,80,77,431	6.90
FII's	1,60,46,886	2.91
Sub Total	5,42,97,185	9.84
Others		
Private Corporate Bodies	80,81,789	1.47
Indian Public	4,38,78,771	7.95
NRI's/OCB's/Foreign Nationals/ Foreign Portfolio Investor	40,76,467	0.74
Sub Total	5,60,37,027	10.16
Grand Total	55,16,88,100	100.00

10.5.0 Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments so far.

10.6.0 Unclaimed Dividend

In case of non-receipt of dividend, shareholders may write to the Company Secretary or to M/s. Link Intime India Private Limited [R&T Agent] furnishing the particulars of the dividend not received, quoting the folio number/client ID particulars in case of dematerialized shares. On verification of the records, if the dividend warrants remain unpaid in the records of the Company after expiry of the validity period, duplicate dividend warrants will be issued.

Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2008 which remains unclaimed on 30th October, 2015 will be transferred by the Company to the Investor Education and Protection Fund [IEPF] established by the Central Government. The information in respect of unclaimed and unpaid dividend declared for the past seven years is given below:

Sl No	Financial Year	Date of declaration of dividend	Last date for claiming unpaid dividend
1	31.3.2008	24 th September, 2008	30 th October, 2015
2	31.3.2009	25 th September, 2009	31 st October, 2016
3	31.3.2010	28 th June, 2010	3 rd August, 2017
4	31.3.2011	23 rd September, 2011	29 th October, 2018
5	31.3.2012	31 st August, 2012	6 th October, 2019
6	31.3.2013	30 th August, 2013	5 th October, 2020
7	31.3.2014	19 th September, 2014	25 th October, 2021

10.7.0 Payment of dividend through National Electronic Clearing Service [NECS] facility:

In order to expedite the receipt of dividend payment, your Company transfers funds to the bank accounts of the members who have opted for NECS facility. However, some members are yet to furnish the details of their bankers. Investors holding shares in physical form may send their NECS mandate form, duly filled, to the Company or its R&TA.

10.8.0 The Registered and Corporate office of your Company is at "Priyadarshini", Eastern Express Highway, Sion, Mumbai 400 022. Your Company has two manufacturing complexes located at Mahul Road, Trombay, Mumbai-400 071 and at Alibag, Thal, Raigad District, Maharashtra. Your Company markets its products through various marketing offices located throughout the Country.

10.9.0 Registered Office/Address for Correspondence:

The Company Secretary
Rashtriya Chemicals and Fertilizers Limited
"Priyadarshini", 10th floor,
Eastern Express Highway, Sion,
Mumbai 400 022.
India.
Tel. No. 022 25523114
Fax No. 022 24045022
e-mail: investorcommunications@rcf ltd.com

11.0.0 Calendar of events:

Sl. No.	Event	Likely date
(i)	Announcement of I Quarterly (unaudited) financial result for FY 2015-2016	Within forty five days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
(ii)	Book Closure for the purpose of Dividend and AGM.	21 st August, 2015 to 27 th August, 2015 (both days inclusive)
(iii)(a)	AGM for 2014-15 : Date	27 th August, 2015 at 3 p.m.
(iii)(b)	AGM for 2014-15: Venue:	“Sivaswami Auditorium”, Fine Arts Society, Mumbai 400 071.
(iv)	Announcement of unaudited half yearly result for FY 2015-16	Within forty five days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
(v)	Announcement of III quarterly (unaudited) financial result for FY 2015-16	Within forty five days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
(vi)	Announcement of Audited results for FY 2015-16	Within sixty days from the end of the last quarter, as stipulated under the Listing Agreement with the Stock Exchanges

12.0.0 Listing of Shares on Stock Exchanges:

12.1.0 Your Company's shares are presently listed on the following Stock Exchanges:

- (i) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 [Stock code 524230]
- (ii) National Stock Exchange of India Limited, (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra [E], Mumbai 400 051. [Stock code RCF]

12.2.0 Your Company has paid listing fee for the Financial Year 2014-15 to both BSE and NSE where the securities are listed. There has been no default in the payment of listing Agreement fee. Your Company has also paid Annual Custody fee to NSDL and CDSL and there is no default in payment to the depositories.

12.3.0 Distribution of shareholding:

The shareholding distribution of equity shares of nominal value of ₹10/- each as on 31st March, 2015 is as under:-

Sl No	No. of Shares held	No. of share-holders	% of total	Share amount [₹]	% of total
1	1 - 500	72919	84.72	11519233	2.09
2	501 - 1000	7122	8.27	6025269	1.09
3	1001 – 2000	3070	3.57	4803826	0.87
4	2001 – 3000	1027	1.19	2684217	0.49
5	3001 – 4000	409	0.48	1494693	0.27
6	4001 – 5000	460	0.53	2215128	0.40
7	5001 – 10000	583	0.68	4418700	0.80
8	10001 - and above	481	0.56	518527034	93.99
	Total	86071	100.00	551688100	100.00

12.4.0 Dividend policy.

Your Company has been paying dividend from its inception except in the years 1993-94 and 2002-03. Your Company endeavours to pay dividend ensuring, generally, that the payout is about 30% of its net profit after tax.

12.5.0 Performance in comparison to broad –based indices.

The relative performance of the shares with that of indices is as under:

	Sensex	Nifty	BSE-PSU Index	RCF Price (₹) (BSE)
April 2014	22417.8	6696.4	6493.06	34.85
March 2015	27957.49	8491	7607.95	56.3
Increase/(decrease)	5539.69	1794.6	1114.89	21.45
% of Increase / (decrease)	24.71	26.80	17.17	61.55

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS (S)

To the Members of Rashtriya Chemicals and Fertilizers Limited

1. We have examined the compliance of the conditions of Corporate Governance by **Rashtriya Chemicals and Fertilizers Limited** for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement as well as the DPE guidelines except for;
 - (a) Non-compliance of Clause 49(I)(A)(ii) of the Listing Agreement relating to the number of Independent Directors on the Board of Directors of the company which was less than half of the total strength of Board during the year;
 - (b) Non compliance of Clause 49(II)(A) of the Listing Agreement relating to composition of the Audit Committee during the year;
 - (c) Non Compliance of Clause 49(II)(B)(6) of the Listing Agreement relating to separate meeting of Independent Director; and
 - (d) Non Compliance of Clause 49(IV) of the Listing Agreement relating to composition of the Nomination and Remuneration Committee during the year.

For M. M. NISSIM & Co.
Chartered Accountants
(Firm Regn. No. 107122W)

(Dhiren Mehta)
Partner
Mem. No.: 109883
Mumbai, May 21, 2015

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profits and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

- a. Note No. 50 in the Financial Statements indicate that the company with effect from 1st April, 2014, has charged depreciation based on the revised remaining useful life of the assets, wherever appropriate, as per the requirements of schedule II of the companies Act, 2013. As a result of these changes, the depreciation charge for the year ended 31st March, 2015 is higher by ₹ 34.57 Crore and the assets and reserves & surplus being lower by the said amount. Further,

consequent to Notification GSR 627(E) dated 29th August, 2014 of the Companies Act, 2013, Company has during the year charged off transitional depreciation amounting to ₹ 42.56 Crore to Statement of Profit and Loss.

- b. Note No. 10(5) in the Financial Statements regarding non-disclosure of cost and depreciation of assets leased to certain Public Sector Undertaking and others.
- c. Note No. 32 in the Financial Statements regarding the claim of subsidy accounted on estimated basis, pending final settlement of such claims.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(5) of the Act, we give in the annexure the directions and sub-directions issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the company.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There is no delay, during the year, in transferring the amount required to be remitted to Investor Education and Protection Fund.

For M. M. NISSIM & Co.

Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)

Partner
Mem. No.: 109883

For NBS & Co.

Chartered Accountants
Firm Regn. No. 110100W

(Devdas Bhat)

Partner
Mem. No. 048094

Mumbai, May 21, 2015

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of Rashtriya Chemicals and Fertilizers Limited as at and for the year ended 31st March, 2015).

i) In respect of its Fixed Assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. The items of assets in respect of which quantitative details are not linked with the cost or book value are of small value acquired prior to April 1978 and are fully depreciated particularly in respect of movable items acquired from Fertilizers Corporation of India Limited;
- b) As explained to us, the Plant & Machineries have been physically verified by the management at reasonable intervals during the year and all other fixed assets have been physically verified during the year by the management with the help of an independent outside agency. We have been informed that discrepancies noticed on physical verification of fixed assets as compared to the book records were not material;

ii) In respect of its inventories:

- a) Physical verification of finished goods, packing materials and raw materials inside factory premises has been carried out by the management at reasonable intervals and the stocks of stores and spare parts has been conducted by them with the help of an independent outside agency in a phased programme so as to complete the verification of all items over a period. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively;
- b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the clauses 3(iii) (a) & (b) of the Order are not applicable;

iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system, in respect of these areas.

v) The Company has not accepted any deposits during the year from public.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii) a) *In our opinion, the procedure followed as per Note No. 49 to the Financial Statements in respect of deduction and payment of income tax results into delays in certain cases. The exact delays are not ascertained.* Except the above, undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b) According to the records of the company, the dues of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute and the forum where the dispute is pending are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Customs Act 1962	Demand of Customs duty and penalty (Trombay Unit)	16.35	2004-05	Central Excise , Service Tax Appellate Tribunal
Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug
Customs Act, 1962	Demand of differential custom duty on import of Potash (Marketing)	0.16	2012-13	Commissioner of Customs, Mangalore
Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.53	A.Y. 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of provision towards wage revision	4.85	A.Y. 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of additional depreciation claimed	5.08	A.Y. 2010-11	Income Tax Appellate Tribunal
Sales Tax, Maharashtra	Disallowance/ errors in calculation of set off etc., in the Assessment Order Passed	6.58	A.Y. 2009-10	Joint Commissioner of Sales Tax (Appeals)
		18.24	A.Y. 2006-07	Joint Commissioner of Sales Tax (Appeals)
Income Tax Act, 1961	Demand of Tax for Short Deduction/non deduction of TDS	0.21	A.Y. 2009-10 to 2010-11	Commissioner of Income Tax (Appeals)

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of Central Excise duty, Interest & Penalty in respect of Naphtha procured at concessional rates used for products which are not exempted (Thal Unit)	2.67	1996-2001	Supreme Court
		3.54	March, 2005 to October, 2005	Central Excise , Service Tax Appellate Tribunal
		18.61	November, 1996 to February, 2005 (Interest)	Supreme Court
Central Excise Act, 1944	Demand of Central Excise duty in respect of Low Sulphur High Stock/ Furnace Oil procured at concessional rates used for other than fertilizer products (Trombay Unit)	19.67	Prior to 1997 to March 2006	Central Excise , Service Tax Appellate Tribunal
		2.90	August 1986 to February 2000	Commissioner of Central Excise (Appeals)
Service Tax	Demand of Service Tax on supply of wagons to Central Railway	1.54	April, 2008 to December, 2011	Commissioner of Central Excise, Customs, & Service Tax
		0.18	January, 2012 to December, 2014	Assistant Commissioner , Central Excise, Customs & Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Service Tax	Demand of Service Tax on Handling by Transporter Service	0.01	2006-07 & 2007-08	Superintendent, (S. T. Special Cell), Aurangabad
Service Tax	Demand of Service Tax on fees received for Operation & maintenance of HWP (Thal Unit)	8.01	October, 2006 to December, 2014	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Service Tax on rent on BTAL Wagons	0.14	2008-09 to June, 2011	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Deputation of officials to Joint Venture	0.08	2008-09 to 2013-14	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Renting of immovable property (Office premises)	0.31	2008-09	Commissioner of Central Excise (Appeals)

- c) Based on the records examined by us, there is no delay, during the year, in transferring the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses

in the current financial year and in the immediately preceding financial year.

- ix) The company has not defaulted in repayment of its dues to banks. The company does not have any borrowings from Financial Institutions or by way of debentures.
- x) According to the information and explanations given to us, the company has given a corporate guarantee for loan from Bank taken by its Joint Venture Company viz. FACT RCF Building Products Ltd., the terms and conditions whereof in our opinion, are not prima-facie prejudicial to the interest of the Company.
- xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained other than funds temporarily invested pending utilization for the intended use.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For M. M. NISSIM & Co.
Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)
Partner
Mem. No.: 109883

For NBS & Co.
Chartered Accountants
Firm Regn. No. 110100W

(Devdas Bhat)
Partner
Mem. No. 048094

Mumbai, May 21, 2015

Annexure to the Independent Auditors' Report under Section 143(5) of the Act:

(Referred to in our report of even date to the members of Rashtriya Chemicals and Fertilizers Limited as at and for the year ended 31st March, 2015).

A. Directions

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process

To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not been slated for disinvestment in 2014-15.

2. Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved

Based on the records examined by us, during the year an amount of ₹ 1.92 Crore has been written off towards bad debts. This is in line with the Company's accounting policy on provision for bad and doubtful debts and write off of the same.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities

Based on the audit procedures performed by us and as per the information and explanations given to us, proper records are maintained for inventories lying with third parties and are confirmed on the basis of warehousing certificates and confirmations.

Based on the records examined by us, during the year, the Company has not received any assets as gift from Government or other authorities.

4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Based on the audit procedures performed by us and as per the information and explanations given to us, out of total 146 legal cases outstanding as on 31st March, 2015, 141 cases are pending for more than 3 years.

To the best of our knowledge and belief and according to the information and explanations given to us, Services of legal counsels are availed by the Company depending upon the nature of disputes and considering that a favourable outcome would emerge based on the legal stand taken and merits of the case. Appointment of legal counsels is governed Company's Delegation of Power's and thus the monitoring mechanism of expenditure on legal cases is effective.

B. Sub Directions

1. Whether Company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.

Based on the audit procedures performed by us and as per the information and explanations given to us, the details of freehold land and title deeds available/not available with the company are as under:-

A) Information of Freehold Land

i. TROMBAY

Location	Particulars	Total Area (in Sq. Mt.)	Area in the name of RCF (in Sq. Mt.)	Remarks
Trombay	Freehold Land	30,97,278	27,04,080	As informed to us, matter is being taken up with concerned authorities for reconciliation of area

ii. THAL

Location	Particulars	Total Area (in Sq. feet/ Sq meter/ Acre/ hectares)	Area in the name of RCF (in Sq. feet/ Sq meter/ Acre/ hectares)	Remarks*
RCF Factory & Roads	Freehold Land	313-52.12 hectares	241-49.52 hectares	As per 7/12 extract the area in the name of the Company is 253-73.70 Hectares.
Township Kihim	Freehold Land	7-10.10 hectares	-	The land is in possession of RCF. As informed, Transfer of title deeds is in process.
Township - Kurul - Veshvi - Chendhare	Freehold Land	83-23.71 hectares	78-85.91 hectares	Balance 4-37.8 Hectares of land, is not in name of RCF. As informed, steps are being taken for the transfer of title deeds.
Railway Land	Freehold Land	101-38.83 Hectares	-	As informed, request letter has been sent to concerned authorities for providing 7/12 extract for the said area.
Total Thal Freehold Land		505-24.76 Hectares	320-35.43 Hectares	

* The matter is being taken up with the concerned authorities for reconciliation of area.

iii. MARKETING / AREA OFFICES / CORPORATE

Location	Particulars	Area (in Sq. feet/ Sq meter/ Acre)	Whether company has clear title deed to the land
AHMEDNAGAR Survey No.20 ,II Lines, Karachi wala Nagar, Near Mahesh Talkies Ahmednagar, Maharashtra-414001.	Freehold Land	840 Sq meters	YES
LUCKNOW TC/10 V ,Vibutikhanda Gomtinagar, Lucknow, U.P.	Freehold Land	1000 Sq meters	YES
DELHI OFFICE H-9 Green Park Extension New Delhi -110016	Freehold Land	387.06 Sq meters	YES

B) Information on Leasehold land

Details of Leased land are separately available with the Company and are separately disclosed in the asset register.

(₹ in Crore)

Gross Block as on 01.4.2014	Additions	Deletions	Gross Block as on 31.3.2015	Accumulated Depreciation (Net of deletions) As on 31.03.2015	Carrying Amount As on 31.3.2015
14.11	-	8.97 *	5.14	(3.49-2.24)= 1.25 *	3.89

*Deductions / Adjustments includes an amount of ₹ 6.73 Crore (₹ 8.97 Crore - ₹ 2.24 Crore) towards leasehold land proposed to be surrendered to Vizag Port Trust authorities in view of non-usage of said allotted land for specific purpose. (Refer Note no. 10 to financial statements).

2. State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.

To the best of our knowledge and belief and according to the information and explanations given to us, instances of encroachment of land have been observed at Trombay unit which are as under:-

- i. Approx. 5 acres of land which is in the name of RCF has been encroached since the time of FCI. The value of the land cannot be determined exactly. RCF has approached the agencies like MMRDA for development of this land.
- ii. Approx. 15 Acres is under slum/encroached since 1980. Slums from other pockets were shifted on this land and is without clear title in favour of RCF. The matter is taken up with appropriate authorities for clear title in favour of RCF.

Both the matters are pending in Mumbai High Court for resolution.

As explained to us, other than the above there are no cases of encroachment of land at other locations.

3. Whether subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted.

Based on the audit procedures performed by us and as per the information and explanations given to us, subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted. In addition to the same, for the rates yet to be notified due to escalations/de-escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis which is in line with its stated accounting policy of revenue recognition given in Note no.32 to the financial statements for the year 2014-15.

4. (i) Whether amount of (a) bank balance (b) trade receivable (c) trade payables (d) loans and advances for which third party confirmation was not made available has been reported.

(ii) Where such balance has been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial.

The balance confirmation letters were available in case of the balances with the banks and bank loans and the same are reconciled.

In respect of Trade Receivables, as informed to us, during the year 2014-15, the statement of balances was taken from SAP system and sent to the parties for confirmation and about 83% confirmation of balances from debtors has been received and no material differences were noticed.

As regards balance confirmation relating to trade payables despite the Company sending balance confirmation letters, receipt of confirmation of balances is very insignificant despite repeated follow-up. To facilitate reconciliation and review of balances by customers and vendors on a periodic basis, Company has also installed Customer and Vendor Portal in its website which would enable them to view their account online. Further disclosure of amounts in dispute with vendors is included under claims not

acknowledged as debts in the notes forming part of financial statements.

Balances of subsidy claim receivables and tax refunds from Government authorities are subject to confirmation which has also been disclosed in note no. 31 of financial statements.

5. Independent verification may be made, of information/inputs furnished to Actuary, viz. number of employees, average salary, retirement age etc. and assumptions made by the Actuary regarding the discount rate, future cost increase, mortality rate, etc. for arriving at the provision for liability of retirement benefits, viz. gratuity, leave encashment, post-retirement medical benefit etc.

Based on the audit procedures performed on test check basis for the purpose of verification of information/inputs furnished by the company to Actuary, viz. number of employees, average salary, retirement age etc. and no material discrepancies were noticed.

Following are the assumptions used by the Actuary:-

Sr No.	Particulars	Rate
1	Discount Rate	7.95%
2	Attrition Rate	2.00%
3	Salary Escalation Rate	8.00%
4	Mortality Rate	IALM (2006-08) Ultimate

Assumptions made by Actuary regarding Salary Escalation Rate & Attrition Rate is as advised by the Company. Based on the audit procedure performed on test check basis on the data given by the management and according to information and explanation given by the management, the said assumptions appear to be reasonable.

For M. M. NISSIM & Co.
Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)
Partner
Mem. No.: 109883

For NBS & Co.
Chartered Accountants
Firm Regn. No. 110100W

(Devdas Bhat)
Partner
Mem. No. 048094

Mumbai, May 21, 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(Roop Rashi)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 24 July 2015

BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Crore

Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	551.69	551.69
b) Reserves and Surplus	2	2159.24	1956.70
		2710.93	2508.39
2. NON-CURRENT LIABILITIES			
a) Long term Borrowings	3	374.56	332.11
b) Deferred Tax Liabilities(Net)	4	196.73	257.00
c) Other Long term liabilities	5	59.03	55.20
d) Long Term Provisions	6	150.68	103.20
		781.00	747.51
3. CURRENT LIABILITIES			
a) Short term Borrowings	7	1509.89	1334.98
b) Trade Payables	8	596.72	492.97
c) Other Current Liabilities	9	405.48	331.39
d) Short term Provisions	6	235.78	199.61
		2747.87	2358.95
TOTAL		6239.80	5614.85
II. ASSETS			
1. NON CURRENT ASSETS :			
(a) FIXED ASSETS :	10		
(i) Tangible Fixed Assets		1495.80	1616.40
(ii) Intangible Assets		5.24	3.27
(iii) Capital Work in Progress		61.16	77.19
(b) Non-Current Investments	11	0.17	17.86
(c) Long Term Loans and advances	12	224.67	131.49
(d) Other non-current assets	13	9.83	30.96
		1796.87	1877.17

BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Crore

Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
2. CURRENT ASSETS :			
(a) Inventories	14	991.64	802.54
(b) Trade Receivables	15	3297.36	2769.09
(c) Cash and Cash Equivalents	16	85.33	70.95
(d) Short term loans and advances	12	38.81	37.08
(e) Other current assets	13	29.79	58.02
		4442.93	3737.68
TOTAL		6239.80	5614.85
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	25-53		

As per our report of even date attached

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

For **M. M. NISSIM & Co.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G.Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(Suresh Warrior)
Director (Finance)

Dated : 21.05.2015
Place: Mumbai

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

Particulars		Note No.	Year Ended March 2015	Year Ended March 2014
I	Revenue from Operations (Gross)	17	7861.66	6723.19
	Less : Excise Duty		(148.21)	(135.59)
	Revenue from Operations (Net)		7713.45	6587.60
II	Other Income	18	74.36	74.04
III	Total Revenue(I+II)		7787.81	6661.64
IV	Expenses:			
	Cost of Materials Consumed	19	3112.49	2646.11
	Purchases of Stock in Trade	20	525.88	284.12
	Changes in Inventories of Finished Goods/Work in Progress and Stock in Trade	21	(7.53)	309.61
	Employee Benefits Expense	22	526.24	442.00
	Finance Costs	23	116.95	131.29
	Depreciation/Impairment	10	258.12	141.75
	Other Expenses	24	2746.03	2339.44
	Total Expenses		7278.18	6294.32
V	Profit before tax (III-IV)		509.63	367.32
VI	Tax Expense			
	(1) Current tax		248.41	103.50
	(2) Deferred tax		(60.27)	13.93
	(3) Taxation adjustment of earlier years Excess(-)/Short(+)		(0.57)	-
	Profit/(Loss) for the year from continuing operations(IX-X)		322.06	249.89
XII	Profit/(Loss) for the year from discontinuing operations		-	-
XIII	Tax Expense of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations(after tax)(XII-XIII)		-	-
VII	Profit for the year		322.06	249.89
VIII	Earnings per equity share			
	Basic and Diluted Earnings per share	38	5.84	4.53
	Statement of Significant Accounting Policies	A		
	Explanatory Information on Financial Statements	25-53		

As per our report of even date attached

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

For M. M. NISSIM & Co.
Chartered Accountants

For NBS & Co.
Chartered Accountants

(R.G.Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(Suresh Warior)
Director (Finance)

Dated : 21.05.2015
Place: Mumbai

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015

₹ in Crore

Particulars	Year Ended March 2015	Year Ended March 2014
A Cash Flow From Operating Activities		
Net Profit before tax	509.63	367.32
Adjustments for :		
Depreciation/Loss on impairment of Assets	266.03	141.94
Profit(-) / Loss on sale of Assets	8.12	1.75
Profit(-) / Loss on Sale/MTM of Equity Investments	32.87	0.18
Interest Income	(5.57)	(11.39)
Dividend Income	(0.09)	(0.12)
Interest and Finance Charges	116.95	131.29
Provision for Bad/Doubtful debts	6.11	6.61
Unrealised Foreign Exchange (Gain) /Loss	25.77	(13.70)
	450.19	256.56
Operating Profit before Working Capital Changes	959.82	623.88
Adjustments for :		
Trade and Other Receivables	(548.07)	(241.72)
Inventories	(189.10)	402.52
Trade Payables and Other Liabilities	249.07	(393.98)
	(488.10)	(233.18)
Cash Generated from Operations	471.72	390.70
Direct Taxes Paid	(243.67)	(77.05)
Cash Flow before Extraordinary Items	228.05	313.65
Net Cash from Operating Activities ----- A	228.05	313.65
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of trade credit)	(207.18)	(221.96)
Sale of Fixed Assets	0.45	(0.07)
Purchase of Investments -Joint Ventures and Subsidiary	(15.18)	0.00
Interest Received	5.53	11.45
Dividend Received	0.09	0.12
Fixed Deposit more than 3 months maturity	(0.12)	128.58
	(216.41)	(81.88)
Net Cash from Investing Activities ----- B	(216.41)	(81.88)

₹ in Crore

Particulars	Year Ended March 2015	Year Ended March 2014
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working capital facilities and short term loans	147.78	(97.87)
Proceeds from Term loans	100.05	210.34
Repayments of Term loans	(31.55)	(90.89)
Interest paid	(116.65)	(133.10)
Dividend paid (including Dividend Distribution tax)	(96.76)	(96.73)
	2.87	(208.25)
Net Cash from Financing Activities ----- C	2.87	(208.25)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	14.51	23.52
Cash and Cash Equivalents as at 1 st April (Opening Balance)	68.72	45.20
Cash and Cash Equivalents as at 31 st March (Closing Balance)	83.23	68.72
Components of Cash and Cash Equivalents		
Cash on hand	0.02	0.02
Cheques in hand	0.02	1.45
Balance With Scheduled Banks		
in Current and Cash Credit Accounts	7.16	67.22
in Term Deposits	76.03	0.03
	83.23	68.72

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard - 3 (Revised) "Cash Flow Statements".

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G.Rajan)
Chairman and Managing Director

(Suresh Warior)
Director (Finance)

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

As per our report of even date attached
For **M. M. NISSIM & Co.** For **NBS & Co.**
Chartered Accountants Chartered Accountants

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

Dated : 21.05.2015
Place: Mumbai

A. Statement of Significant Accounting Policies forming Part of Accounts for the year ended 31st March, 2015

1. Basis of Preparation of Financial Statements:

Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards(AS) under Companies Act 2013 and the relevant provisions of the Companies Act 2013("the Act").The financial statements have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Presentation and disclosure of financial statements

As per criteria set out in the revised Schedule III notified under the Act, all assets and liabilities have been classified as current or non-current which are as under:

Based on the nature of products and the time taken between the acquisition of assets or processing and their realization in cash and cash equivalents, company has ascertained its operating cycle.

The threshold for classification as current or non-current assets is determined either by the realization of such assets within the normal operating cycle or if such asset is expected to be realized within twelve months after the reporting date. Thus classification of an asset either current or non-current has been made applying the criteria of realization of such assets within a period of 12 months after the reporting date.

Where assets have been fully provided for as doubtful, the same are classified as non-current.

Similarly in case of liabilities the same is classified as current where it is expected to be settled within 12 months after reporting date and where the company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.

2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively when revised, in current and future periods.

3. Fixed Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost attributable to acquisition of qualifying fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date and any cost directly attributable to bringing the asset to its working condition for its intended use and adjustments relating to exchange differences on translation / settlement of long term monetary items pertaining to the acquisition of a depreciable asset.

Catalysts which are used in commissioning of new projects/plants are capitalized and are amortized based on the estimated useful life as technically assessed. Subsequent issues of catalysts are treated as inventory.

The Government/Institutional grants of capital nature are adjusted to the gross block of relevant Fixed Assets.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. The cost of intangible assets comprises its purchase price, and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustments, if any, relating to exchange differences on translation / settlement of long term monetary items pertaining to the acquisition of an amortizable asset.

4. Depreciation/Amortization

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% is considered for all assets, except in case of roads, wells and fences, office appliances and end user computing devices like desk tops, laptops etc. where it is considered as NIL.

Depreciation on Tangible assets is provided for as per Useful lives prescribed in Schedule II to Companies Act, 2013, except for mobile telephones classified under office equipment's which are depreciated over a period of 3 years. Company has identified and depreciated significant components of plant and machinery with different useful lives as per technical assessment, as per Para 4 of Schedule II to Companies Act, 2013.

Depreciation on additions/deductions to Gross Block is calculated on pro-rata basis from the date of such additions/ and up to the date of such deductions as per Useful lives of such assets on Straight Line Basis.

Depreciation on each item of an asset costing less than ₹ 5,000 are depreciated at 100% in the year of capitalization.

Leasehold land is amortized equally over the lease period pro-rata from the month the asset is available to the Company.

Intangible Assets

Intangible assets (software applications) are amortized over their respective individual estimated useful lives on a STRAIGHT-LINE BASIS, pro-rata from the date the asset is available to the Company for its use. Management estimates the useful life of software applications identified as intangible assets as three years. Any expenses incurred on intangible assets up to ₹1 lakh in each case are being charged off in the year of incurrence.

Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date for identifying an impairment based on internal/ external factors. Loss on impairment is provided to the extent the carrying amount of assets exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over its remaining useful life. A previously recognized loss on impairment is increased or reversed depending on the change in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying assets are accumulated and capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to statement of Profit and Loss.

6. Foreign Currency Transactions

Transactions in Foreign currency are recorded in the reporting currency by applying the currency rate as at the date of transaction.

Monetary items denominated in foreign currency are translated at the rates of exchange prevalent on the Balance Sheet date. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items are recorded at the rates prevalent on the date of the transaction.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign currency monetary items as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its obligation.

All other exchange differences (gains or losses) are recognized in the Statement of Profit and Loss in the period in which they arise.

7. Derivative Instruments

The Company uses derivative financial instruments such as forward contracts and options to hedge its exposure associated with foreign currency fluctuations. These derivative instruments are accounted as follows:-

- a) For forward contracts (including instruments which are in substance forward contracts) which are not intended for trading or speculative purposes, the premium or discount on such contracts i.e. (difference between the contract rate and the spot rate on the date of the contract) is recognized as expense or income in the Statement of Profit and Loss over the life of the contract. The difference between the year-end rate and rate on the date of the contract is recognized as exchange difference. Profit or loss arising out of cancellation or renewal of such contracts is recognized as expense or income in the Statement of Profit and Loss for the period.
- b) Outstanding Derivative contracts, other than those covered under Accounting Standard-11 as at the Balance sheet date are marked to market and loss on valuation is recognized in the Statement of Profit and Loss. Gains if any are ignored in line with the principle of prudence enunciated in Accounting Standard-1, Disclosure of Accounting policies as per the announcement of Institute of Chartered Accountants of India.

8. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are valued at lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

9. Inventory

9.1 Assessment of Inventory

Raw Materials, Intermediary Products, By-Products and Finished Products inside factory premises, in bulk form, are assessed by survey method on a date as close as possible to the Balance Sheet date and the shortages /excesses in the quantities as compared to book stocks are adjusted in the books. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.

9.2 Mode of Valuation

Inventory is valued at lower of cost and net realizable value except in case of by-products, which are valued at, net realizable value. Gases and slurries, if any, in pipelines at different stages of process are not valued as the same is not practicable. Certified Emission Reductions (Carbon credits) is valued at lower of cost and net realizable value

9.3 Basis of Cost:

- 9.3.1 The cost of manufactured finished goods, bought out products and intermediary products are arrived at based on weighted average cost. Bifurcation of cost of joint products is made on technical estimates.
- 9.3.2 Cost of raw materials, petroleum products, packing materials, stores and spares, and loose tools is determined on weighted average cost basis.
- 9.3.3 Used loose tools are treated as consumed and hence not valued.
- 9.3.4 Project surplus stores and spares of old plants not in use are brought in the books at nominal estimated value/technical estimate or carried in memorandum records.
- 9.3.5 Provision is made in respect of raw materials, packing materials, stores and spares and petroleum products, wherever appropriate, based on technical estimates, to reflect the impact of obsolescence, damage or other diminution in value.

9.4 Measurement of Cost / Realizable Value

9.4.1 Cost of Purchases

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments.

9.4.2 Cost of Manufactured goods

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level. Average freight incurred is included in valuing stocks in field warehouses and in transit.

9.4.3 Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under 9.4.1 plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

9.4.4 Net Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at retention price (selling price net of dealers' margin plus subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs plus the concession as fixed/to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

The Net realizable value of imported Urea is the selling price and other entitled compensation as contracted with the Government net of variable selling and distribution cost.

The net realizable value of off-spec imported Urea is taken at 40% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/ port to godown is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at the year-end lowest selling prices net of variable selling and distribution cost.

10. Trade receivables, other debts, loans and advances are provided for as doubtful upon review on case to case basis. Subsidy receivable from Government overdue over 3 years are provided for as doubtful.

11. Leases

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Lease rentals paid for such leases are recognized as an expense as per the lease terms which is more representative of the time pattern of the benefit.

Rental income on leases is accounted for an accrual basis in accordance with the terms of the contract. This is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

12. Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act 1961.

Deferred Tax resulting from “timing difference” between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future and for unabsorbed depreciation or carry forward of losses where there is a virtual certainty of their adjustment in future.

13. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprises of cash in hand, cash at bank and short term investments with an original maturity of three months or less.

14. Segment Information

The Company has recognized its factory at Trombay, factory at Thal and Trading, as geographical segments based on location of assets (primary segments) and its activities of manufacture and sale of fertilizers, and manufacture and sale of industrial products as business segments (secondary segments). This is based on its internal reporting, review of performance, decision making relating to future allocation of resources, policy parameters influencing business etc. by the Company’s management.

15. Employee Benefits

- 15.1.1 Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.
- 15.1.2 Company’s defined Contribution made to its Super-annuation scheme is charged off to Statement of Profit and Loss on accrual basis.
- 15.1.3 Defined Benefit plans comprising of gratuity, leave encashment on retirement, Post retirement medical benefits and long term service award are recognized based on the present value of Defined Benefit Obligation based on actuarial valuation carried out as on the date of the Balance Sheet. The actuarial valuation is done as per Projected Unit Method.
- 15.1.4 Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value scheme of assets, wherever applicable.

16. Earnings per Share (EPS)

Basic earnings per share is calculated by dividing net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, net profit or loss after tax for the year attributable to equity shareholders are divided by the weighted average number of equity shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.

17. Research and Development Expenditure

Revenue Expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

18. Revenue Recognition

- 18.1 Sales are recognized on an accrual basis when all significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred.
- 18.2 Gross Sales (net of returns) include excise duty, wherever applicable.
- 18.3 Subsidy income is accounted on the quantity sold during the year.
- 18.4 Recognition of Subsidy is generally made on the basis of in principle recognition/approval/settlement of claims from Government of India / Fertilizer Industry Co-ordination Committee.
- 18.5 Other Income is recognized on an accrual basis.
- 18.6 Dividend income is recognized when right to receive dividend is established.
- 18.7 Interest Income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.
- 18.8 Scrap, salvaged/waste materials and sweepings are accounted for on realization.
- 18.9 Insurance and other miscellaneous claims are recognized on receipt/acceptance of claim.
- 18.10 Income from sale of Certified Emissions Reductions (CER's)/Voluntary Emissions Reductions (VER's) is recognized on delivery and confirmation of the same by the concerned authorities.
- 18.11 Debits/Credits Relating to Prior period
Income and expenditure pertaining to earlier period and up to ₹1,00,000/- in each case, are not being classified as relating to "prior period".

18.12 Prepaid Expenses

Individual expense up to ₹ 25,000/- is not considered in classifying prepaid expenses.

19. Government Grants

Government grants are recognized when there is a reasonable assurance that the same will be received and conditions stipulated for its entitlement are complied with. Revenue grants are recognized in the Statement of Profit and Loss. They are adjusted to the related item of expense. Capital grants are reduced from the Gross Value of the respective assets. Other capital grants in the nature of Promoter's contribution are credited to capital reserve.

20. Contingent Liabilities and Provisions

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 1	"SHARE CAPITAL"	AS AT	AS AT
		31.03.2015	31.03.2014
Authorised			
80,00,00,000 Equity Shares of ₹10/- each.		800.00	800.00
Issued, Subscribed and Paid Up			
55,16,88,100 Equity shares of ₹10/- each fully paid up.		551.69	551.69
	TOTAL	551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD

	31.03.2015		31.03.2014	
	No.	₹ in Crore	No.	₹ in Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms/Rights Attached to Equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

	31.03.2015		31.03.2014	
	No.	% age of share holding	No.	% age of share holding
Government of India	441353888	80.00	441353888	80.00
Life Insurance Corporation of India	30759700	5.58	35566427	6.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 2	"RESERVES AND SURPLUS"	AS AT	AS AT
		31.03.2015	31.03.2014
General Reserve			
	Balance as per last Balance Sheet.	1956.54	1803.44
	Add : Transferred from Statement of Profit and Loss	202.54	153.10
		2159.08	1956.54
	Closing Balance	2159.08	1956.54
RCF - EEC Asset Management Reserve			
	Balance as per last Balance Sheet.	0.16	0.16
	Additions during the year	-	-
	Closing Balance	0.16	0.16
Surplus in the Statement of Profit and Loss			
	Profit for the year	322.06	249.89
	Less: Appropriations		
	Proposed Dividend [₹ 1.80 per share ,(P.Y. ₹ 1.50 per share)]	99.30	82.75
	Tax on Dividend	20.22	14.04
	Transfer to General Reserve	202.54	153.10
	Total Appropriations	322.06	249.89
	Net Surplus in the Statement of profit and Loss	-	-
	TOTAL	2159.24	1956.70

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
SECURED					
Term Loan from Banks					
1 Rupee Loan from Banks					
a. Kotak Mahindra Bank					
		41.67	75.00	33.33	25.00
	A loan of ₹ 100 Crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the amount borrowed from this bank. 50% of the loan carries a fixed rate of interest of 10.35% pa and the remaining 50% of the loan carries a floating rate of interest benchmarked to the Bank's PLR plus margin of 0.90% per annum and during the year the rate of interest varied around 10.26% per annum. The rate of interest is now fixed at 10% per annum wef September 2014. Repayment of the said loan will fall due for ₹ 33.33 Crore in F.Y. 2015-16, ₹ 33.33 Crore in F.Y. 2016-17 and ₹ 8.34 Crore in F.Y. 2017-18.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
b. Hongkong and Shanghai Banking Corporation (HSBC)		-	6.00	6.00	12.00
	A loan of ₹ 36 Crore availed from Hongkong Shanghai Banking Corporation consequent to the conversion of a portion of loan availed in Euro under FCNR(B) arrangement with the said Bank in the previous year. The said loan is secured by first pari passu charge by way of hypothecation on all movable fixed assets of Ammonium Nitrophosphate Plant at Trombay. The rate of interest is 10% per annum. The repayment of the term loan would be ₹ 6 Crore in F.Y. 2015-16.				
		41.67	81.00	39.33	37.00
2 Foreign Currency Loan / External Commercial Borrowings					
a. HSBC Bank (Mauritius) Limited		123.30	140.77	24.41	8.35
	Term loan of USD 25 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.2011561, is secured by first pari passu charge by way of hypothecation on all current and future plant and machinery of the revamped Ammonia and Urea Plants situated at Thal. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 24.41 Crore in F.Y. 2015-16, ₹ 55.70 Crore in F.Y. 2016-17 and ₹ 67.60 Crore in F.Y. 2017-18.				
b. Capital Expenditure Buyers credit from HSBC Mauritius		-	-	-	26.66
	Capex Buyers credit of amounting to USD 4469125 availed from Hongkong Shanghai Banking Corporation for purchase of plant and machinery from abroad, with bullet repayment after 3 years, secured by first pari passu charge by way of hypothecation on all movable properties forming part of existing Ammonia and Urea plants at Thal Unit with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The buyer's credit arrangement carried an interest at USD LIBOR plus margin of 1.30% per annum. The said buyers credit has been fully repaid during the year				
c. HSBC Bank (Mauritius) Limited		115.79	110.34	-	-
	Term loan of USD 18.50 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.201303177, is secured by first pari passu charge by way of hypothecation on the movable fixed assets of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 115.79 Crore in F.Y. 2016-17.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
	d. Kotak Mahindra Bank Limited	93.80	-	6.25	-
	A foreign currency Term loan of ₹ 100 Crore equivalent to USD 15.99 Million availed by the Company from Kotak Mahindra Bank Limited, is to be secured by way of hypothecation of movable plant and machinery acquired or to be acquired from the said loan to the extent of 1.25 times of the loan amount. The rate of interest is 6 months USD LIBOR plus margin of 2.75% per annum. Repayment of the said loan would fall due for ₹ 6.25 Crore in F.Y. 2015-16, ₹ 25.01 Crore in F.Y. 2016-17, ₹ 25.01 Crore in F.Y. 2017-18, ₹ 25.01 Crore in FY 2018-19 and ₹ 18.77 Crore in FY 2019-20. The charge for the said loan is yet to be created.				
		332.89	251.11	30.66	35.01
	Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 9)			(69.99)	(72.01)
	TOTAL	374.56	332.11	-	-

₹ in Crore

NOTE NO. 4	"DEFERRED TAX LIABILITIES (NET)"	AS AT	AS AT
		31.03.2015	31.03.2014
a. Deferred Tax Liability:			
Depreciation / Impairment		302.68	335.14
	Total	302.68	335.14
b. Deferred Tax Asset:			
Provision for doubtful debts/claims		7.62	6.43
Provision for obsolescence of stores		5.83	1.60
Provision for diminution in value of investments		11.38	-
Expenditure allowable on payment basis		78.13	62.61
Other timing differences		2.99	7.50
	Total	105.95	78.14
	Net Deferred Tax Liability	196.73	257.00

₹ in Crore

NOTE NO. 5	"OTHER LONG TERM LIABILITIES"	AS AT	AS AT
		31.03.2015	31.03.2014
	Security Deposit from Vendors	7.88	6.60
	Standing Deposit from Customers	50.29	47.68
	Deposit from Employees	0.86	0.92
	Total	59.03	55.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 6	"PROVISIONS"	LONG TERM		SHORT TERM	
		AS AT	AS AT	AS AT	AS AT
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
A)	Provision for Employee Benefits				
	Leave Salary Encashment	98.77	66.77	79.71	96.43
	Post Retirement Medical Benefits	51.91	36.43	3.61	2.92
		<u>150.68</u>	<u>103.20</u>	<u>83.32</u>	<u>99.35</u>
B)	Other Provisions				
	Proposed Dividend	-	-	99.30	82.75
	Tax on Dividend	-	-	20.22	14.06
	Provision for Taxation less Advance tax	-	-	30.41	0.92
	Others (Refer Note No. 37)	-	-	2.53	2.53
		<u>-</u>	<u>-</u>	<u>152.46</u>	<u>100.26</u>
	TOTAL	<u>150.68</u>	<u>103.20</u>	<u>235.78</u>	<u>199.61</u>

₹ in Crore

NOTE NO. 7	"SHORT TERM BORROWINGS"	AS AT	AS AT
		31.03.2015	31.03.2014
SECURED:			
A.	Working Capital facilities from Bank		
	Cash Credit from banks	25.26	26.18
	Working Capital Demand Loan (includes an amount of ₹ NIL (P.Y. ₹ 491.64 Crore) under a special banking arrangement secured by hypothecation of specific subsidy claims to be settled by DOF/FICC)	565.00	751.64
B.	Rupee Term Loans		
	Rupee loan from New India Co-operative Bank (Secured by hypothecation on Plant and Machinery of Methanol Plant situated at Trombay. The said loan is fully repaid)	-	18.75
	Total Secured	<u>590.26</u>	<u>796.57</u>
UNSECURED:			
	Foreign currency loans from banks-Buyers Credit	769.63	518.41
	Rupee loans from banks	150.00	20.00
	Total Unsecured	<u>919.63</u>	<u>538.41</u>
	TOTAL	<u>1509.89</u>	<u>1334.98</u>

Cash Credit and Working capital Demand loan from banks is secured by hypothecation of entire stocks of raw materials and finished goods, stock in transit, and book debts and consumable stores and spares. The said arrangement carries a rate of interest which varied between 9.5% to 10.5% per annum during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 8	"TRADE PAYABLES"	AS AT 31.03.2015	AS AT 31.03.2014
	Trade Payables (Refer Note No. 34)	596.72	492.97
	TOTAL	596.72	492.97

₹ in Crore

NOTE NO. 9	"OTHER CURRENT LIABILITIES"	AS AT 31.03.2015	AS AT 31.03.2014
	Current maturities of long term borrowings (Refer Note No. 3)	69.99	72.01
	Interest accrued but not due on borrowings	5.96	5.66
	Income received in advance	77.61	28.90
	Unclaimed dividend *	0.56	0.51
	Sub Total	154.12	107.08
	Other Payables		
	Creditors on Capital Account	13.90	46.82
	Trade Deposit from Customers	49.28	42.63
	Earnest Money Deposit & Security Deposit from Vendors	40.16	33.78
	Subsidy on unsold stock	50.64	37.11
	Statutory Dues:		
	Withholding taxes	6.09	5.27
	VAT/ Sales tax	4.58	4.80
	Other taxes	3.48	4.08
	Other Liabilities:		
	Ex-gratia & employee benefits	67.77	27.45
	Overdrawn balances in Current Account	1.18	0.02
	Others (Refer Note No. 34)	14.28	22.35
	Sub Total	251.36	224.31
	TOTAL	405.48	331.39

* No amounts are due & payable to Investor Education & Protection Fund

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 10		FIXED ASSETS									
FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK		
Description	AS.AT 31.03.2014	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2015	UPTO 31.03.2014	Pro- vided during the year	On items Sold/ Discard- ed/Ad- justed	UPTO 31.03.2015	Im- pair- ment Loss	AS.AT 31.03.2015	AS.AT 31.03.2014
Tangible Assets:											
Land (Freehold)	10.79	-	-	10.79	-	-	-	-	-	10.79	10.79
Land (Leasehold) #	14.11	-	8.97	5.14	3.02	0.47	2.24	1.25	-	3.89	11.09
Roads & Culverts	14.36	0.06	-	14.42	4.26	6.88	-	11.14	-	3.28	10.10
Buildings	185.99	9.86	0.16	195.69	113.71	6.17	0.06	119.82	-	75.87	72.28
Railway sidings	51.89	2.07	0.02	53.94	40.35	2.10	0.02	42.43	-	11.51	11.54
Plant & Machinery	3533.15	124.92	89.57	3568.50	2035.44	179.15	88.15	2126.44	115.07	1326.99	1429.28
Water System, Sewerage & Drainage	22.61	4.93	-	27.54	19.77	0.63	-	20.40	-	7.14	2.84
Miscellaneous Equipments	96.54	5.04	0.23	101.35	57.90	12.45	0.13	70.22	-	31.13	38.64
Furniture & Fixtures	20.29	2.03	7.80	14.52	11.82	1.33	7.63	5.52	-	9.00	8.47
Office Equipment	40.20	2.72	1.58	41.34	21.98	7.43	1.55	27.86	-	13.48	18.22
Transport Vehicles	6.09	0.43	0.33	6.19	3.66	0.84	0.31	4.19	-	2.00	2.43
Intangible Assets											
Computer Software	14.25	3.91	-	18.16	10.98	1.94	-	12.92	-	5.24	3.27
Assets held for disposal *	0.72	-	-	0.72	-	-	-	-	-	0.72	0.72
TOTAL	4010.99	155.97	108.66	4058.30	2322.89	219.39	100.09	2442.19	115.07	1501.04	1619.67
Previous Year Figures	3685.20	346.58	20.79	4010.99	2206.54	135.46	19.11	2322.89	68.43	1619.67	

* Refer Note no. 43

Deductions / Adjustments includes an amount of ₹ 6.73 Crore towards leasehold land proposed to be surrendered to Vizag Port Trust authorities in view of non usage of said allotted land for specific purpose.

₹ in Crore

	Year Ended March 2015	Year Ended March 2014
Notes :		
1. Depreciation/Impairment on tangible assets provided during the year	264.09	140.34
Amortisation on intangible assets during the year	1.94	1.60
	266.03	141.94
2. <u>Charged to Statement of Profit & Loss:</u>		
Depreciation/Impairment Provided During the year	258.12	141.75
Under Research and Development	0.17	0.05
As net adjustment relating to Prior Years	7.74	0.14
	266.03	141.94
3. Land at Thal included in Gross Block (at cost) at ₹2.33 Crore is subject to final revision in price.		
4. Additions/Adjustments include the following		
Exchange Differences	9.01	10.92
Borrowing Costs	-	1.21
	9.01	12.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

- 5 The Company is charging rent to certain Public Sector Undertakings & other parties for utilising part of its Land & Buildings. It is not feasible to segregate Cost & Depreciation amount in respect of Fixed Asset so utilised & hence has not been disclosed separately

₹ in Crore

NOTE NO. 11	"NON-CURRENT INVESTMENTS "	AS AT 31.03.2015	AS AT 31.03.2014
Unquoted Trade Investments (Fully paid up):			
a Subsidiary			
	Rajasthan Rashtriya Chemicals and Fertilizers Ltd. (25500 equity shares of ₹10 each)	-	-
	Less:- Provision for Diminution in the value of investment	-	-
b. Joint Ventures			
	FACT-RCF Building Products Ltd. (3,28,70,000 equity shares (P.Y.176,90,000) of ₹10 each) (Under lock in period upto 31 st March 2018)	32.87	17.69
	Less:- Provision for Diminution in the value of investment	(32.87)	-
		-	17.69
	Urvarak Videsh Ltd. (1,80,000 equity shares(P.Y.1,80,000) of ₹10 each)	0.18	0.18
	Less:- Provision for Diminution in the value of investment	(0.18)	(0.18)
		-	-
c. Others			
	Indian Potash Limited (3,36,600 equity shares of ₹10 each)	0.17	0.17
	TOTAL	0.17	17.86
	Aggregate Provision for dimunition in the value of investments (Refer Note No. 40)	33.05	0.18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 12 "LOANS AND ADVANCES"	NON CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Capital Advances -Unsecured Considered good	13.29	7.04	-	-
Considered Doubtful	0.69	1.13	-	-
Less:Provision	(0.69)	(1.13)	-	-
	13.29	7.04	-	-
Security Deposits-Unsecured Good *	16.93	17.06	1.66	1.41
Considered Doubtful	0.19	0.18	-	-
Less:Provision	(0.19)	(0.18)	-	-
	16.93	17.06	1.66	1.41
Loans and Advances to other State Controlled Enterprises				
Unsecured -Considered Good	-	1.76	-	-
Considered Doubtful	1.79	-	-	-
Less:Provision	(1.79)	-	-	-
	-	1.76	-	-
Loans:				
-Employees				
Secured Considered Good (Incl. accrued interest C.Y. ₹ 3.72 Crore P.Y. ₹ 6.51 Crore).	2.18	5.96	2.95	0.87
ADVANCES RECOVERABLE IN CASH OR IN KIND.				
Unsecured -Considered Good				
Contractors	-	0.03	26.67	21.20
Employees	0.01	0.02	0.29	1.78
VAT Receivable	165.28	97.69	-	-
Others	0.21	0.14	4.01	7.12
	165.50	97.88	30.97	30.10
Considered Doubtful -Others	9.83	8.38	-	-
Less:Provision for doubtful advances	(9.83)	(8.38)	-	-
	-	-	-	-
Advance Income Tax (Net of Provision)	25.34	0.02	-	-
Deposits with Customs,Port Trust etc.	0.77	0.81	1.55	0.20
Prepaid expenses	0.66	0.96	1.68	4.50
TOTAL	224.67	131.49	38.81	37.08

* Refer Note No. 25.3

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 13 "OTHER ASSETS"	NON CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Unsecured-Considered Good, unless Otherwise Stated				
Unamortized Premium on Forward contracts	-	-	1.53	8.54
Interest Accrued	-	-	0.15	0.11
Other Receivables	9.83	16.09	28.11	49.37
Other Receivables - Considered Doubtful	1.18	0.47	-	-
Less: Provision for doubtful Receivables	(1.18)	(0.47)	-	-
	9.83	16.09	28.11	49.37
Advance against Equity Pending allotment	-	14.87	-	-
	-	-	-	-
TOTAL	9.83	30.96	29.79	58.02

₹ in Crore

NOTE NO. 14 "INVENTORIES"	AS AT	AS AT
	31.03.2015	31.03.2014
Raw materials	362.70	151.66
Finished Goods	166.58	176.57
Stock in Trade/Bought out Products	44.05	29.57
Intermediary Products	29.88	27.54
By products	10.04	8.70
Stores & Spares, packing materials and Petroleum products	394.24	412.32
Less: Provision for Obsolescence etc./Loss under Investigation *	(15.85)	(4.70)
	378.39	407.62
Certified Emission Reduction Credits (Refer Note No. 42) (No. of Units C.Y. 973738 , P.Y. 841425)	-	0.88
TOTAL	991.64	802.54
* Refer Note No. 33		
Inventory Includes:		
i) In Transit		
Raw Materials	76.14	-
Finished Goods	16.60	54.33
ii) Stores and Spares		
a) Under inspection	1.99	1.93
b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
c) With fabricators	11.41	11.67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 15 "TRADE RECEIVABLES"	NON CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Overdue for a period exceeding six months				
Secured-considered good.				
Debtors	-	-	0.52	4.56
Subsidy Receivables	-	-	-	-
	-	-	0.52	4.56
Unsecured-considered good.				
Debtors	-	-	0.91	14.92
Subsidy Receivables	-	-	894.92	1019.05
	-	-	895.83	1033.97
Other Debts				
Secured-considered good				
Debtors	-	-	87.52	8.03
Subsidy Receivables	-	-	-	-
	-	-	87.52	8.03
Unsecured-considered good.				
Debtors	-	-	207.73	220.89
Subsidy Receivables (*)	-	-	2105.76	1501.64
	-	-	2313.49	1722.53
Debtors Unsecured Considered Doubtful	1.43	2.35		
Less: Provision for doubtful debts	(1.43)	(2.35)		
	-	-		
Claims - Considered Doubtful	8.74	8.74		
Less: Provision for doubtful	(8.74)	(8.74)		
	-	-		
Sub Total - Sundry Debtors	-	-	296.68	248.40
Sub Total - Subsidy Receivables (*)	-	-	3000.68	2520.69
TOTAL	-	-	3297.36	2769.09

* Includes an amount of ₹ Nil (P.Y. ₹ 491.64 Crore) received under special banking arrangement also stated in Note No. 7)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 16	"CASH AND CASH EQUIVALENTS"	AS AT 31.03.2015	AS AT 31.03.2014
Cash and Cash Equivalents			
	Cash on hand	0.02	0.02
	Cheques in hand	0.02	1.45
	Deposits with original maturity less than 3 months	76.03	0.03
	In Current and Cash Credit accounts	7.16	67.22
		83.23	68.72
Other Bank Balances			
	Deposits with original maturity more than 3 months but less than 12 months	1.54	1.42
	Margin money deposit	-	0.30
	In unpaid Dividend Account	0.56	0.51
		2.10	2.23
	TOTAL	85.33	70.95

₹ in Crore

NOTE NO. 17	"REVENUE FROM OPERATIONS"	Year Ended March 2015	Year Ended March 2014
1. Sales			
	A. Manufactured Products	17A	
	Fertilizers	2482.24	2114.70
	Industrial Products	1049.39	987.47
		3531.63	3102.17
	Less: Excise duty	(148.21)	(135.59)
		3383.42	2966.58
	B. Bought-out Products	17A	
	Fertilizers	423.61	330.01
	Net Sales	3807.03	3296.59
2. Other Operating Revenues			
		17B	
	Subsidy on Urea & Complex Fertilizers	3876.52	3270.87
	Sale of Scrap	18.14	10.16
	Management Fees -For Services rendered	11.76	9.98
	TOTAL	3906.42	3291.01
	Revenue from Operations (Net)	7713.45	6587.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 17A “SALES - PRODUCT WISE BREAK-UP”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
1 Manufactured				
A. Fertilizers				
Urea	1,274,926	659.95	1,807,938	935.58
Suphala 15 : 15 : 15	389,277	632.89	359,225	527.95
Suphala 20 : 20 : 0 (Ammonium Nitrate Phosphate)	255,118	392.48	188,286	280.99
Neem coated Urea	1,343,062	730.77	606,851	330.88
Boronated Suphala	-	-	1,714	2.55
Others	-	66.15	-	36.75
	3,262,384	2482.24	2,964,014	2114.70
B. Industrial Products				
Methanol	41,015	104.12	54,862	184.97
Ammonia	91,194	323.54	74,576	274.66
Dilute Nitric Acid	11,853	22.22	16,389	22.87
Concentrated Nitric Acid	38,352	67.21	30,941	47.57
Ammonium Bi-carbonate	30,940	47.06	26,937	32.70
Sodium Nitrate	1,342	5.08	1,690	5.56
Sodium Nitrite	2,553	10.87	2,624	9.82
Methylamines	13,757	119.81	9,887	80.67
Ammonium Nitrate Melt	101,868	251.73	99,741	230.36
Dimethyl Formamide	3,029	20.78	2,670	20.07
Dimethyl Acetamide	1,757	15.15	2,674	23.03
Argon Gas / Liquid Argon	10,958	14.74	7,985	11.79
Formic Acid	5,460	25.16	5,692	26.96
Others		21.92		16.44
		1049.39		987.47
2. Bought-out Products				
A Fertilizers				
Imported Di Ammonium Phosphate	4,871	8.92	100,501	230.83
Imported Muriate of Potash	100,246	155.12	12,220	18.68
Imported Urea	239,985	124.11	30,518	15.81
Single Super Phosphate	80,025	53.09	46,674	29.96
Imported NPK 20:20:0	-	-	739	1.12
Ammonium Sulphate	1,888	2.23	3,192	3.74
Traded DAP	-	-	2,716	6.03
Others		80.14		23.84
		423.61		330.01
TOTAL*		3955.24		3432.18

* Sales are net of trade rebates and discounts (C.Y. ₹ 127.19 Crore, P.Y. ₹ 92.05 Crore)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 17B	"SUBSIDY"	Year Ended March 2015	Year Ended March 2014
Manufactured Fertilizers			
	Price	3182.04	2671.98
	Freight	492.27	424.30
		3674.31	3096.28
Bought-out Fertilizers			
	Price	152.09	153.73
	Freight	50.13	20.86
		202.22	174.59
	TOTAL	3876.52	3270.87

₹ in Crore

NOTE NO. 18	" OTHER INCOME"	Year Ended March 2015	Year Ended March 2014
Interest Income			
	On Loans to Employees	0.01	0.03
	On Deposits with Bank and Others	2.94	5.70
	From Customers	2.38	5.46
	From Others	0.24	0.20
	TOTAL	5.57	11.39
Other Income			
	Lease rent for railway wagons	0.71	1.41
	Dividend from Trade Investment	0.08	0.08
	Dividend from other than Trade Investment	0.01	0.04
	Profit on sale of fixed assets (Net)	0.04	0.04
	Bad debts recovered	4.83	0.63
	Provisions for Doubtful debts/advances/obsolescence no longer required	3.70	6.66
	Liabilities/Provisions for expenses of earlier years no longer required	8.56	5.48
	Rent received, recovery of electricity etc.	23.78	21.55
	Miscellaneous Income	27.09	26.76
		68.80	62.65
	Less: Transfer to Research and Development Expenses (Refer Note No. 24C) (C.Y. ₹ 70668, P.Y. ₹ 51021)	(0.01)	-
		74.36	74.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 19	"COST OF MATERIALS CONSUMED"	Year Ended March 2015	Year Ended March 2014
	Raw Materials	19A 2961.38	2531.09
	Packing Materials	151.11	115.02
	TOTAL	3112.49	2646.11

₹ in Crore

NOTE No. 19A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
		QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
RAW MATERIALS					
	Rock Phosphate	241,863	224.83	186,196	198.62
	Di-Ammonium Phosphate	19,934	46.51	535	1.49
	Mono-Ammonium Phosphate	91,439	230.24	86,574	232.64
	Muriate of Potash	102,757	223.12	88,653	228.21
	Sulphur	31,117	34.72	21,450	22.02
	Soda Ash	3,029	6.57	3,339	6.53
	Associated Gas (Quantity in '000 M3) (Non APM)	132,321	156.05	42,528	49.69
	Associated Gas (Quantity in '000 M3) (APM)	48,716	49.44	89,369	74.14
	Natural Gas (Quantity in '000 M3) (PMT/RIL)	779,633	1,144.06	827,479	1,108.39
	Natural Gas (Quantity in '000 M3) (RLNG-spot/Mid Term Gas)	218,590	794.51	138,449	567.69
	Others		51.33		41.67
	TOTAL		2,961.38		2,531.09

₹ in Crore

NOTE No. 20	"PURCHASES OF STOCK IN TRADE"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
		QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
	Imported Urea	306,362	202.93	29,600	19.97
	Imported Di Ammonium Phosphate	-	-	71,400	232.77
	Imported Muriate of Potash	100,365	202.24	-	-
	Sulphur Betonite	1,450	2.71	1,852	3.10
	Single Super Phosphate	73,984	38.78	39,098	23.03
	Ammonium Sulphate	1,888	2.07	3,192	3.65

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 20	"PURCHASES OF STOCK IN TRADE"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	NPK 10:26:26	35,980	71.03	5,335	9.94
	Others		6.12		6.74
	TOTAL		525.88		299.20
	Less: Transferred to Plant for internal consumption				
	Imported Muriate of Potash	-	-	5,193	15.08
	TOTAL		525.88		284.12

₹ in Crore

NOTE NO. 21	"CHANGES IN INVENTORIES"	Year Ended March 2015	Year Ended March 2014
	Opening Stock		
	Finished Goods	21A	176.57
	Intermediary Products		27.54
	By-Products		8.70
	Stock in trade	21A	29.57
	Carbon Credits		0.88
	Sub-Total		243.26
	Closing stock		
	Finished Goods	21B	166.58
	Intermediary Products		29.88
	By-Products		10.04
	Stock in trade	21B	44.06
	Carbon Credits		-
	Sub-Total		250.56
	Changes in Inventories		(7.30)
	Differential Excise duty on stocks of Finished goods		(0.23)
	TOTAL		(7.53)
			308.69
			309.61

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 21A “OPENING STOCK - PRODUCT WISE BREAK-UP”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
<u>Finished Goods</u>				
1. <u>Manufactured</u>				
A. <u>Fertilizers</u>				
Urea (Trombay)	17,144	24.73	16,725	21.58
Urea (Thal)	41,761	55.41	111,229	124.61
Complex Fertilizers	22,244	51.22	54,111	126.25
Others	-	31.59	-	29.12
B. <u>Industrial Products</u>				
Methanol	2,309	6.32	1,301	3.11
Concentrated Nitric Acid	56	0.08	34	0.05
Ammonium Bi-carbonate	167	0.18	158	0.17
Sodium Nitrate	20	0.07	103	0.34
Sodium Nitrite	74	0.32	100	0.35
Methylamines	169	1.23	47	0.11
Ammonium Nitrate Melt	10	0.02	45	0.07
Dimethyl Formamide	206	1.50	44	0.30
Dimethyl Acetamide	1	0.01	8	0.05
Argon Gas / Liquid	158	0.23	54	0.08
Formic Acid	250	1.22	176	0.79
Others		2.44		0.78
		176.57		307.76
2. <u>Bought-out Products</u>				
<u>Fertilizers</u>				
Imported Di Ammonium Phosphate	5,101	18.14	37,091	127.81
Imported Muriate of Potash	-	-	17,297	51.56
Imported Urea	1	-	1,085	0.90
Single Super Phosphate	6,931	5.25	14,529	11.65
Water Soluble Fertilizers	961	4.95	1,282	7.23
Imported NPK 20:20:0	-	-	741	1.82
Sulphate of Potash	-	-	229	0.80
Traded DAP	-	-	2,716	6.03
Others	-	1.23	-	-
		29.57		207.80
TOTAL		206.14		515.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 21B “CLOSING STOCK - PRODUCT WISE BREAK-UP”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
Finished Goods				
1. Manufactured				
A. Fertilizers				
Urea (Trombay)	9,608	14.10	17,144	24.73
Urea (Thal)	31,178	43.57	41,761	55.41
Complex Fertilizers	34,694	77.46	22,244	51.22
Others	-	-	-	31.59
B. Industrial Products				
Methanol	349	0.92	2,309	6.32
Concentrated Nitric Acid	121	0.22	56	0.08
Ammonium Bi-carbonate	78	0.09	167	0.18
Sodium Nitrate	-	-	20	0.07
Sodium Nitrite	-	-	74	0.32
Methylamines	225	1.64	169	1.23
Ammonium Nitrate Melt	10	0.02	10	0.02
Dimethyl Formamide	24	0.42	206	1.50
Dimethyl Acetamide	197	1.57	1	0.01
Argon Gas / Liquid	217	0.29	158	0.23
Formic Acid	292	1.10	250	1.22
Others		25.18		2.44
		166.58		176.57
2. Bought-out Products				
Fertilizers				
Imported Di Ammonium Phosphate	283	0.19	5,101	18.14
Imported Urea	66,001	41.99	1	-
Single Super Phosphate	811	0.41	6,931	5.25
Water Soluble Fertilizers	136	0.43	961	4.95
Others	-	1.04	-	1.23
		44.06		29.57
TOTAL		210.64		206.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 22	"EMPLOYEE BENEFITS EXPENSE"	Year Ended March 2015	Year Ended March 2014
	Salaries, Wages and Bonus	430.57	382.08
	Contribution to Provident Fund and other funds	42.09	40.45
	Contribution to Gratuity Fund	16.15	(6.62)
	Workmen and Staff Welfare Expenses	59.79	47.46
		<u>548.60</u>	<u>463.37</u>
Less :	Salaries, Wages, Bonus and contribution to Provident Fund & Other funds		
	Included in :		
	Research and Development (Refer Note No. 24C)	(3.78)	(3.22)
	Share recoverable from Thal Ammonia Extension and Others	(18.58)	(18.15)
		<u>(22.36)</u>	<u>(21.37)</u>
	TOTAL	<u>526.24</u>	<u>442.00</u>

₹ in Crore

NOTE NO. 23	"FINANCE COSTS"	Year Ended March 2015	Year Ended March 2014
	On Term Loans-From Banks	18.04	25.49
	On Working capital from Banks	60.33	65.42
	On other loans and deposits	3.76	3.17
	Applicable net gain/(loss) on foreign currency transactions and translation in respect of borrowings	29.87	29.86
	Interest on taxes	3.58	3.47
	On Other Borrowing & Finance Costs	1.37	3.88
	TOTAL	<u>116.95</u>	<u>131.29</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 24	" OTHER EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Stores and Spares	60.21	49.60
	Power and Fuel	1468.73	1247.03
	Water Charges	107.64	71.89
	Repairs and Maintenance	24A 160.68	191.71
	Freight and Handling Charges	748.41	549.34
	Rent	7.35	9.42
	Rates and Taxes	6.55	7.51
	Insurance	15.35	14.25
	Cash Discounts and Other Rebates	22.07	28.26
	Miscellaneous Expenses	24B 149.34	170.58
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.30)	(0.15)
		2746.03	2339.44

₹ in Crore

NOTE NO. 24A	"REPAIRS AND MAINTENANCE"	Year Ended March 2015	Year Ended March 2014
	Plant and Machinery	105.14	131.93
	Buildings	32.37	34.63
	Other Assets	23.40	25.28
		160.91	191.84
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.23)	(0.13)
	TOTAL	160.68	191.71

₹ in Crore

NOTE NO. 24B	"MISCELLANEOUS EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Security expenses-Factory and Others	30.14	27.09
	Electricity Charges-Township and Offices	8.64	5.61
	Advertisement	6.33	4.92
	Bank Charges	1.49	1.27
	Promotion and Publicity	4.42	3.53

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 24B	"MISCELLANEOUS EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Hire Charges for vehicles	4.80	4.75
	Travelling expenses	5.74	6.95
	Miscellaneous expenses *	35.82	36.49
	Entertainment Expenses	0.24	0.11
	Donations	0.02	1.14
	Research and Development expenses	4.96	3.90
	Loss on Fixed Assets Sold /Discarded	8.16	1.79
	Losses/ Damages and other amounts written off	2.50	0.40
	Foreign exchange Loss/(Gain)	(10.78)	71.16
	Loss on sale/ Mark To Market valuation of Equity Investments	32.87	0.18
	Corporate Social Responsibility expenses **	8.30	14.82
	Provision for Doubtful Debts/ Claims/ Advances	6.11	6.61
	Provision for obsolescence of stores	11.16	1.27
	Bad debts written off	1.92	0.81
	Prior period Items -Debit(+)/Credit(-)	8.16	(0.38)
	Adjustment towards share of common expenses recoverable from TAE/TDP	(21.66)	(21.84)
	TOTAL	149.34	170.58

* Includes Directors' sitting fees C.Y. ₹ 250,000, P.Y. ₹ 50,000

* * Refer Note No. 51

₹ in Crore

NOTE NO. 24C	"RESEARCH & DEVELOPMENT EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Salaries and Staff Welfare Expenses	3.78	3.22
	Repairs and Maintenance	0.23	0.13
	Depreciation	0.17	0.05
	Other Expenses	0.77	0.47
	Handling charges	0.02	0.03
	Sub Total	4.97	3.90
	Less: Transferred from Other Income	(0.01)	-
	TOTAL	4.96	3.90

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 24D	"PRIOR PERIOD ITEMS"	Year Ended March 2015	Year Ended March 2014
Debits / Credits (-)			
	Interest	0.41	-
	Materials Consumed	(0.37)	0.67
	Repairs and Maintenance	-	(0.99)
	Depreciation	7.74	0.14
	Others	0.38	(0.20)
	TOTAL	8.16	(0.38)

Explanatory information on Financial Statements for the Year ended 31st March, 2015

25. CONTINGENT LIABILITIES NOT PROVIDED FOR:

25.1 Claims against the Company not acknowledged as debts to the extent ascertainable (Interest cannot be estimated reliably) aggregates to ₹ 392.00 Crore (P.Y. ₹ 472.75 Crore) which include the following:

- Claims preferred by local Authorities amounting to ₹ 8.34 Crore (P.Y. ₹ 8.34 Crore) (net of payment made/liability provided of ₹ 3.95 Crore (P.Y. ₹ 3.95 Crore). The Capitalization of land at Kurul Township and factory at Thal Unit has been made subject to Arbitration awards/Court decisions in this behalf.
- Invoices/debit notes raised by M/s GAIL (India) Ltd. which are as under:

₹ Crore

Sr. no	Particulars	Current Year	Previous year
1	Increased gas transmission charges for ONGC pipeline *	56.59	50.34
2	Price difference between APM and Non APM gas supplies for the period February 2012 to November 2013	97.99	97.99
3	For non-submission for FICC certified gas utilization data	39.39	-
4	SCADA Charges	1.47	1.47
	Total	195.44	149.80

* With reference to item mentioned in serial no.1 above, during the year GAIL (India) Ltd. demanded payment towards the same and threatened to adjust the same against the Letter of credit issued in their favour. Company had filed an appeal on the above said matter in Mumbai High Court. As per the orders of Mumbai High Court, GAIL (India) Ltd. has been restrained from taking any further action on the matter and directed both the Companies to resolve the matter through arbitration.

- Water charges claimed by Municipal Corporation of Greater Mumbai. ₹1.22 Crore (P.Y. ₹0.67 Crore).
- Claims before arbitrators/courts, are ₹11.05 Crore (P.Y. ₹13.03 Crore).

- Claims against the Company not acknowledged as debts.

(₹ in Crore)

In respect of Matters under dispute with various authorities	As at 31 st March 2015	As at 31 st March 2014
Excise Duty (D)	22.58	21.66
Excise Duty (S)	4.05	131.03
Sales Tax (D)	27.82	32.01
Income Tax (D) *	28.52	18.19
Service Tax (D)	12.06	17.09
Custom Duty (D)	80.93	80.93

(D) (Demands raised)/(S) (Show cause notice issued).

* Against which an amount of ₹4.03 Crore has been deposited with Tax authorities.

- The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular employees and not acknowledged as debts is not ascertainable.

25.2 In respect of Naphtha purchased by the company at concessional rate of excise duty for the purposes other than mentioned in the exemption notification for the period November 1996 to February 2005, the Company's appeal against the order of CESTAT confirming the demand of excise duty was set aside by the Bombay High Court and the Company paid an amount of ₹9.66 Crore towards duty and ₹2.00 Crore towards penalty which was charged to Statement of Profit and Loss account in an earlier year. The Company has appealed against the said order and obtained a Stay in the Hon'ble Supreme Court towards the demand of penalty amounting to ₹4.67 Crore (inclusive of payment of ₹2.00 Crore). Further an intimation was received from excise authorities seeking payment of ₹18.61 Crore towards interest in the said matter in year 2013-14 which has been disputed by the Company since the matter is already resting with Hon'ble Supreme Court. The appeal is yet to be heard.

Further, for the period from March 2005 to October 2005, a show cause notice has been served on similar issue for payment of duty amounting to ₹1.77 Crore, penalty of similar amount and interest at an appropriate rate which has been stayed by CESTAT on a Stay application filed by the Company.

Pending court hearing, no provision is considered necessary.

- 25.3 Demand of ₹33.48 Crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 5-4-1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has now directed the Bombay High Court to hear the matter and decide on merits based on facts of the case. The Stay granted on the said matter continues.

As a part of an agreement entered into with BMC for obtaining raw sewerage, the Company has paid an interest free deposit of ₹16 Crore to BMC (included in Note no.12) representing approximately 50% of the disputed demand which would be adjustable against the disputed demand in case the Court rules in favor of BMC. No provision is considered necessary for the disputed demand of ₹33.48 Crore as the claim of BMC is not tenable.

- 25.4 During 2004-05, Commissioner of Customs (Imports) Mumbai had allowed clearance of the Air Compressor package consignment under provisional assessment on payment of applicable custom duties, furnishing of Bank guarantees towards demand and a revenue deposit of ₹5.75 Crore.

Thereafter Commissioner of Customs passed an Order for payment of Custom Duty and penalty aggregating to ₹25.62 Crore against the above matter. Company has paid ₹9.27 Crore against provisional assessment and furnished bank guarantees amounting to ₹ 29.07 Crore based on which the said revenue deposit was returned.

The Order has been challenged before CESTAT / High Court and by an Order dated 20th June 2007, Bombay High Court stayed the order passed by the Commissioner of Customs and also against invoking the bank guarantees. Bombay High Court has now ordered CESTAT to hear the Appeal filed by RCF and the Appeal before bench of CESTAT is expected to be heard. Company has been advised by solicitors and advocates that the demand is not sustainable and no provision is considered necessary.

In respect of clause 25.1 to 25.4 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

26. Corporate Guarantee executed by the Company on behalf of its Joint Venture Company, FACT-RCF Building Products Ltd aggregates to ₹ 37.66 Crore (P.Y. ₹37.66 Crore).

27. Capital Commitments

(₹ Crore)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Capital Expenditure Commitments	270.74	22.89
Commitment Towards Investments	10.00	0.31

28. Company has acquired entire wagons (416 wagons) originally under lease from SBI Leasing Group. Further, under the "Own Your Wagons Scheme" of Indian Railways, these wagons have been sub-leased to Indian Railways. The estimated future revenue on this account is ₹ 3.53 Crore (P.Y. ₹ 4.24 Crore). Period wise classifications is as below.

₹ Crore

Particulars	Year ended 31-3-2015	Year ended 31-3-2014
Not Later than one year	0.71	0.71
Later than one year but not later than 5 years	2.82	2.82
Later than 5 years	-	0.71
Total	3.53	4.24
Lease rent (Income) recognized in Statement of Profit and Loss	0.71	1.41

29. Formalities relating to transfer of certain immovable and other properties from Fertilizer Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 3097278 sq. meter, property cards for 393198 sq. meters (P.Y. 409582 sq. meters) are yet to be transferred in the name of the Company.
30. Out of total area of 5052476 Sq. meter area at Thal Unit, the title deeds relating to area of 3203543 Sq. meter area are in the name of the Company. The capitalization of Freehold land at Thal Unit includes land at Kihim having carrying Cost of ₹ 0.02 Crore, pending execution of documents and transfer of title deeds in the name of Company, due to dispute.
31. Balances of subsidy claim receivable and tax refunds from Government authorities are subject to confirmation. Some of the balances of Trade Payables, current liabilities and loans and advances are subject to confirmation, reconciliation and consequential adjustments if any. In the opinion of the management, such adjustments would not be material.

32. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

For the rates yet to be notified, due to escalations/de-escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis.

The details of subsidy accounted on estimated basis are as under:-

₹ Crore

Particulars	2014-15			2013-14		
	Urea	P & K Fertilizers	Imported Urea	Urea	P & K Fertilizers *	Imported Urea
For the Year	500.51**	-	-	552.27	(5.94)	0.47
For the earlier period	-	-	-	-	-	-
Total	500.51	-	-	552.27	(5.94)	0.47

*(Subsidy refundable)

**Includes Subsidy against marketing margin against RIL gas for use in production of Urea of ₹ 87.40 Crore, as an interim relief, as directed by Delhi High Court on the referred matter.

The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of Nutrient "N" has been referred and is pending before an Inter-Ministerial Committee of Government of India. An amount of ₹96.89 Crore has been withheld by Department of Fertilizers during the year towards the said matter.

Pending final decision on the said matter and in the Company's view that no unintended benefits have accrued, it has continued to recognize subsidy income on P&K fertilizers at the rates notified by Department of Fertilizers.

33. (a) As per requirements of Accounting Standard -28, Company has carried out impairment testing of its Cash Generating Units/Fixed Assets at the year end. Such a test of impairment is carried out considering an estimated useful life of 10 Years for arriving at the value in use. Accordingly, a provision for impairment has been made towards, Methanol Rapid wall and Sodium Nitrate plants at Trombay unit and Formic acid Plant at Thal unit since the expected value in use as arrived at of the said plants are lower than their carrying amount. A provision of ₹ 62.10 Crore has been made towards impairment. Company has reversed the impairment provision recognized towards its Argon plant amounting to ₹ 15.47 Crore during the year.

The status of provision made towards impairment is as under:-

₹ Crore

Sr. No	Particulars	2014-15					
		Sodium Nitrate/Nitrite	Chikton	Rapid wall	Argon	Formic Acid	Methanol
1	Provision for Impairment made during the year	0.31	-	0.82	-	3.87	57.10
2	Reversal of Provision during the year	-	-	-	15.47	-	-
3	Balance in Provision A/C	0.96	0.84	52.28	-	3.87	57.10

₹ Crore

Sr. No	Particulars	2013-14					
		Sodium Nitrate/Nitrite	Chikton	Rapid wall	Argon	Formic Acid	Methanol
1	Provision for Impairment made during the year	0.66	-	2.72	3.10	-	-
2	Reversal of Provision during the year	-	-	-	-	-	-
3	Balance in Provision A/C	0.66	0.84	51.46	15.47	-	-

(b) Inventory includes stores and spares declared as surplus with further classification as disposable surplus. Since such surplus stores on disposal may not fetch full book value a suitable provision has been made. Consequent to full provision for impairment made in respect of its Rapid wall, Sodium Nitrate /Nitrite, Methanol and Formic acid plants, Company has provided towards inventory of specific spares relating to the said plants.

The value of such inventory and provision towards the same is as under:-

₹ Crore

Sr. no	Particulars	As on 31.3.2015	As on 31.3.2014
A	Inventory		
1	Surplus Stores and Spares	7.94	6.73
2	Disposable Surplus	5.36	4.29
3	Specific stores and spares of impaired assets	9.29	0.43
4	Material Stolen	0.21	0.21
	Total	22.80	11.66
B	Provision		
1	Provision made for Disposable Surplus	5.14	4.08
2	Provision reckoned on stores and spares for impaired assets	8.83	0.41
3	Provision for Material Stolen	0.21	0.21
	Total	14.18	4.70

34. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 is as under:-

₹ Crore

Sr. No.	Particulars	2014-15	2013-14
1	Principal amount remaining unpaid as on 31 st March	12.05	3.70
2	Interest due thereon 31 st March	NIL	NIL
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
5	Interest accrued and remaining unpaid as 31 st March.	NIL	NIL
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the company. This has been relied upon by the auditors.

35. Company has recognized its factory at Trombay, factory at Thal and Trading, as geographical segments (primary segments) and its activities of manufacture and sale of fertilizers, and manufacture and sale of industrial products as business segments (secondary segments) in accordance with Accounting Standard –17 on Segment reporting prescribed under the Companies Act, 2013. The segment wise revenue, expenses and capital employed are given in **Annexure-1**.

36. Information as per Accounting Standard (AS-18) on Related Party Disclosures is given below:-

Company is under the administrative control of Ministry of Chemicals and Fertilizers, Government of India and is within the meaning of state controlled enterprise as per para 10.13 of Accounting Standard-18.

1) Key Management Personnel

- Shri R. G. Rajan, Chairman & Managing Director
- Shri CMT Britto, Director (Technical)
- Shri Ashok Kumar Ghasghase, Director (Marketing)
- Shri Gautam Sen Director (Finance) up to 31st January 2014.
- Shri.Suresh Warior Director (Finance) & CFO from 18th July 2014
- Shri R. H. Kulkarni (Executive Director Finance) & CFO from 13th May 2014 to 17th July 2014
- Shri K. C. Prakash, Company Secretary up to 31st July, 2014.
- Shri D. M. Sati, Company Secretary from 1st August, 2014.

2) Details relating to parties referred in above.

Remuneration:

₹ Crore

Particulars	2014-15	2013-14
Shri R.G.Rajan	0.51	0.45
Shri CMT Britto	0.38	0.36
Shri Ashok Kumar Ghasghase	0.38	0.34
Shri Gautam Sen	-	0.77
Shri Suresh Warior	0.20	-
Shri R.H.Kulkarni	0.05	-
Shri K.C.Prakash	0.46	-
Shri D.M.Sati	0.15	-
Total	2.08	1.92

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any. In addition to the above they are eligible for non-monetary perquisites as per Government of India guidelines.

The remuneration to key management personnel does not include the provisions made for gratuity; leave encashment and post-retirement medical benefits as they are determined on an actuarial basis for the Company as a whole.

There have been no outstanding loans and advances from the above referred parties as at year end.

37. Disclosure as per Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” as on 31st March 2015.

₹ Crore

Particulars	Balance as on 31.3.2014	Addition	Utilization	Reversal	Balance as on 31.3.2015
Disputes and Claims,	2.53	-	-	-	2.53
Legal Matters (*)	(2.53)	-	-	-	(2.53)

Figures in brackets are in respect of previous year

(*) Disputes, Claims and Others represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities /Trade Payable. Deferred Tax Benefit of ₹0.86 Crore (Previous year ₹0.86 Crore) has been recognized on above. The timing and probability of outflow with regard to these matters depends on the ultimate settlement /conclusions with relevant authorities.

38. Earnings per Share –Basic and Diluted

Particulars	31.3.2015	31.3.2014
Net profit after tax as per Statement of Profit and loss (₹ in Crore) (A)	322.06	249.89
Weighted Average Numbers of Equity Shares for calculating basic EPS(B)	55,16,88,100	55,16,88,100
Basic/Diluted earnings per Share (in Rupees) (Face Value of ₹10/- per share) (A)/(B)	5.84	4.53

39. In compliance with Accounting Standard 27 on “Financial Reporting of Interests in Joint Ventures”. The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31.3.2015	31.3.2014
1) FACT-RCF Building Products Ltd.	India	50.00	50.00
2) Urvarak Videsh Ltd.	India	33.33	33.33

A) FACT-RCF BUILDING PRODUCTS LTD :- A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

B) URVARAK VIDESH LTD: - A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies

has been formed. Since the company has made full provision for diminution in the value of investment, accounts of the Joint Venture entity is not consolidated.

The Company's share in assets, liabilities, income ,expenditure, contingent liabilities and capital commitments compiled on the basis of audited/un-audited financials received from the joint venture entity FACT-RCF BUILDING PRODUCTS LTD is as follows:-

₹ Crore

Sr. No.	Particulars	31.3.2015 (Unaudited)	31.3.2014 (Audited)
1	Non-Current Assets	51.20	56.84
2	Current Assets	2.51	3.09
3	Non-Current Liabilities	40.25	40.87
4	Current Liabilities	9.07	3.16
5	Income	1.36	0.90
6	Expenditure	13.30	9.76
7	Contingent Liability	7.07	2.37
8	Capital Commitments	2.33	2.06

40. Investments in Joint Ventures and Subsidiary

A) Urvarak Videsh Ltd.

The company has made a full provision for diminution in value of investment amounting to ₹ 0.18 Crore in the year 2013-14, in respect of its joint venture Urvarak Videsh Limited.

B) FACT RCF Building Products Ltd. (FRBL)

Investments held primarily to protect, facilitate existing business or trading relations, often called Trade Investments are not made with the intention that they will be available as additional cash resources and are classified as Long term. The investment in FRBL has been made with a long term perspective and is strategic in nature and categorized under Long term Trade Investments. Further as a part of Corporate Debt Restructuring program of FRBL, additional equity and Corporate Guarantees have been given by the Company.

The unaudited financial statements of FRBL as at 31st March 2015 report a loss of ₹ 23.86 Crore, thus resulting in accumulated loss of ₹60.54 Crore.

Despite the actual performance for the year 2014-15 being not so encouraging as compared to expectations, it is felt that operations of FRBL are expected to improve in future. Being a very novel concept acceptance of FRBL's product in lieu of conventional items would take time for sales to pick up and for operations turning around.

Since the assessment of diminution in value of long term investment is required to be done based on existing Net worth etc. and in accordance with Accounting Standard-13, a full provision towards the value of investments in FRBL amounting to ₹ 32.87 Crore and also towards the outstanding loans & advances amounting to ₹ 1.79 Crore as on 31st March, 2015 has been reckoned.

C) Rajasthan Rashtriya Chemicals and Fertilizers Ltd.

Winding up proceedings in respect of Company's subsidiary Rajasthan Rashtriya Chemicals and Fertilizers Ltd. is in process and during the year an application has been made to the Registrar for striking of the Company's name in a fast track mode. No objection also from Department of Fertilizers has been received during the year for the same.

41. Miscellaneous expenses include auditors' remuneration as per details given below:-

₹ Crore

Sr. No.	Particulars	2014-15	2013-14
1	Audit fees for the year (incl. service tax)	0.18	0.18
2	Audit fees for Limited review	0.02	0.02
3	Audit fees for Consolidated Financial Statement (incl. service tax)	0.01	0.01
4	For Certificate and other expenses	0.09	0.07
5	For travelling and out of pocket expenses	0.00*	0.00*

*(C.Y. ₹ 50478.70/-) (P.Y. ₹30082/-)

42. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits allotted and held by the company is as under:-

Particulars	Unit	2014-15	2013-14
CER's at the beginning of the year	No.	841425	276223
CER's Allotted	No.	132313	565202
CER's Sold	No.	-	-
CER's held at year end	No.	973738	841425
CER's under certification	No.	Nil	Nil
Depreciation, operating and maintenance cost of emission reduction equipment's expensed during the year	₹ Crore	0.81	0.68

Pending disposal, the said carbon credits are valued at lower of cost and net realizable value as inventory.

43. Company has handed over possession of land measuring 48849.74 sq.mtrs adjacent to the company's township at Chembur, Mumbai, to MMRDA (Mumbai Metropolitan Region Development Authority) (a statutory body under Government of Maharashtra) for the construction of public road. However formalities pertaining to transfer of ownership and consideration for exchange of land are yet to be completed, pending which company has classified the same as assets held for disposal under Note No.10 to financial statements.

44. Disclosure under Clause 32 of Listing Agreement

There are no specific disclosures required to be made under clause 32 of Listing Agreement.

45. Employee Benefits:-

The required disclosure under the Revised Accounting Standard 15 is given below.

General Description of Defined Benefit Plan

1) Provident Fund:-

The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

During the year an amount of ₹ 30.99 Crore (P.Y. ₹ 29.20 Crore) has been charged of to statement of Profit and loss towards contribution by the Company.

In terms of the guidance on implementing the revised AS-15 issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the Company is treated as Defined Benefit Plan since the Company has to meet the shortfall in the fund assets, if any. However, as at the year end, no shortfall remains un provided for. Further, having regard to the assets of the Fund and the Return on the Investments, the Company does not expect any deficiency in the foreseeable future. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2015.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

- Projection is restricted to five years or earlier, if retirement occurs
- Expected guaranteed interest rate 8.75 %

c) Discount rate 7.95 %

The total plan liabilities under the RCF Ltd. Employees Provident Fund Trust as at 31st March 2015 as per the unaudited financial statement for the year ended is ₹ 888.33 Crore (P.Y. ₹ 806.64 Crore) as against total plan assets of ₹ 888.33 Crore (P.Y. ₹ 806.64 Crore). The funds of the trust have been invested under various securities as prescribed by regulatory authorities.

2) **Gratuity:-**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending upon the date of joining. The same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. During the year, charge on account of Gratuity to Statement of Profit and Loss amounts to ₹ 16.15 Crore. During the year Company settled ₹ 19.04 Crore towards gratuity of which ₹ 14.91 Crore is payable to the Trust.

3) **Leave Encashment:-**

The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance date.

The liability for the leave encashment on retirement as at 31st March 2015 is ₹ 178.48 Crore (P.Y. ₹ 163.20 Crore)

4) **Post-Retirement Medical Benefits:-**

The company has been accounting for provision on account of post-retirement medical benefits based on actuarial valuation carried out as at the Balance Sheet date. Employees of the company upon retirement/separation under Voluntary Retirement Scheme are entitled to medical benefits as per the scheme in force.

5) **Long Term Service Award**

As a part of cordial relation and appreciation of long dedicated service, Company is honouring its employees with a memento on completion of 25 years of service.

General Description of Defined Contribution Plan

Contributory Superannuation Scheme: -The scheme is a defined contribution scheme. Employees are required to exercise their option to be a part of the scheme and make a contribution equivalent to the amount contributed by the company to the fund, upon becoming the member of the scheme. Under the scheme the employee shall be eligible for pension provided they have put in at least 15 years of service in the company and superannuate from the company which is as per Govt. of India guideline. During the year company has paid an amount of ₹10.98 Crore as contribution towards the said scheme.

The following table shows the impact of actuarial valuation as recognized in the financial statements in respect of Gratuity and Post-retirement medical benefits.

(₹ Crore)

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Gratuity (Funded)	Post Retirement Medical Benefits (Non Funded)	Gratuity (Funded)	Post Retirement Medical Benefits (Non Funded)
1) Components of Employer expenses				
Service Cost	1.73	1.50	2.36	0.85
Interest Cost	16.20	3.60	14.75	2.90
Expected Return on Plan Assets	(16.51)	-	(16.45)	-
Provision for employees on deputation	1.06			
Unpaid benefits	(0.23)			
Actuarial (gain)/Loss	13.90	33.64	(7.28)	2.76
Net expense/(gain) recognized in the statement of Profit and Loss	16.15	38.74	(6.62)*	6.50
* Excess funding (₹4.68 Crore)				

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Gratuity (Funded)	Post Retirement Medical Benefits (Non Funded)	Gratuity (Funded)	Post Retirement Medical Benefits (Non Funded)
2) Changes in Benefit Obligations				
Present value of Obligation at year beginning	179.37	39.92	184.39	36.26
Service Cost	1.73	1.50	2.36	0.85
Interest Cost	16.20	3.60	14.75	2.90
Actuarial(gain)/Loss	14.37 -1.54 =12.83	33.64	(6.63)	2.76
Benefits paid	(19.04)	(23.67)	(15.50)	(2.85)
Present value of Obligation at year end	191.09	55.00	179.37	39.92
3) Changes in Plan Assets				
Fair value of Plan Assets , at year beginning	189.75	-	189.12	-
Expected return on Plan Assets	16.51	-	16.45	-
Employer's contributions	(9.97)	-	(0.97)	2.85
Benefits paid	(19.04)	-	(15.50)	(2.85)
Actuarial gain/(Loss)	(1.07)	-	0.64	2.76
	176.18	-	189.74	-
Excess Plan assets over Obligation	(14.91)	-	10.37	-
Category of Plan Assets				
GOI securities	2.30%	-	2.28%	-
PSU/ State Government Securities	3.58%	-	3.54%	-
SBI Life Insurance Company Ltd.	32.76%	-	34.98%	-
Life Insurance Corporation of India	43.02%	-	48.56%	-
HDFC SL	18.34%	-	10.64%	-
Total	100.00%	-	100.00%	-
Experience Adjustments				
a) On Plan Liability(Gains)/Losses	(1.54)	28.73	7.82	3.12
b) On Plan Assets (Losses)/Gains	(1.07)		0.64	-
Actuarial Assumptions				
Discount Rate(per annum)	7.95%	7.95%	9.03%	9.03%
Expected Rate of Return on Assets(per annum)	7.95%	-	8.70%	-
Salary Escalation/Annual increase in health care cost	8.00%	-	5.50%	-

Gratuity: -

(₹Crore)

Year	Present Value of Obligation	Fair Value of Plan Assets
2010-11	158.63	158.63
2011-12	173.11	173.11
2012-13	184.39	189.12
2013-14	179.37	189.74
2014-15	191.08	176.18

Estimates of future salary increase considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

46. The position of Hedged Foreign currency exposures are as under:-

₹ Crore

Particulars	Hedged Exposure	Cross Currency	31.3.2015	31.3.2014
Foreign Currency exchange contracts	Buyer's credit/ Supplier's credit availed for import of raw materials	USD	259.18	646.18
	Long Term Borrowings	USD	-	26.78

Financial and Derivative Instruments

The status of derivative instruments outstanding is as under:-

(in million)

Hedging Instrument		Hedged Exposure	Currency	As on 31.3.2015	As on 31.3.2014
Call Spreads	USD / INR	Buyers / Suppliers credit	USD	42.12	110.83
Interest Rate Swap	USD / INR	External Commercial Borrowing	USD	23.60	25.00
Full Currency Swap (Principal and Interest)	INR / USD	Rupee Term Loan	USD	12.18	-

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:-

₹ Crore

Particulars	31.3.2015	31.3.2014
Foreign currency term loans	363.55	259.35
Buyer's credit/Suppliers credit for import of raw materials and others	663.44	27.19
Advances/receivable from suppliers	3.07	2.37

47. In line with the principle of prudence enunciated in Accounting Standard-1, Disclosure of Accounting policies as per the announcement of Institute of Chartered Accountants of India, Company has not recognized an amount of ₹5.72 Crore (P.Y. ₹ 0.30 Crore) being the mark to market gains on outstanding derivative contracts as at 31st March 2015.

48. The dispute relating to manufacture of Single Super Phosphate on job work basis given to third party has been referred to arbitration. Company's provision towards amount doubtful of recovery amounting to ₹3.83 Crore still continues.

49. Since implementation of SAP, creation of liability for expenses takes place in two stages and Income tax is deducted at the second stage. According to the legal opinion obtained by the Company and as per the practice followed by other companies using SAP the process of deduction and remittance of Tax at source is correctly followed.

50. Effective 1st April 2014, the company has charged depreciation based on the revised remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by ₹ 34.57 Crore.

Consequently the profit for the year is lower by ₹ 34.57 Crore and the deferred tax charge being lower by ₹ 11.96 Crore.

Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II, Company has during the year, charged off transitional depreciation amounting to ₹ 42.56 Crore to Statement of Profit and Loss.

51. Disclosure relating to Corporate Social Responsibility "CSR" Activities

Company during the year has incurred an expenditure of ₹ 8.30 Crore towards the same which is reported under Note No. 24 "Other Expenses" & Note 24B "Miscellaneous expenses".

The functional classification of the same is as under:-

Particulars	₹ Crore
Water charges	1.24
Promotion and Publicity	1.24
Miscellaneous expenses	5.82
Total	8.30

The other disclosures are as under:-

a) Gross amount required to be spent by the company during the year	₹8.02 Crore
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- b) Amount spent during the year on:

₹ Crore

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
1	Construction/ Acquisition of Asset	-	-	-
2	On Purposes Other than above	7.43	0.87	8.30

52. Additional Information:

Additional information in respect of goods manufactured, value of imports calculated on CIF basis, expenditure in foreign currency during the year on account of royalty, know-how etc., consumption of raw material, spare parts and components during the year, earnings in foreign exchange, etc. is as follows:

A. QUANTITATIVE INFORMATION IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED DURING 2014-2015			
Metric Tonnes			
SR. NO	PRODUCTS	ANNUAL PRODUCTION Without Adjustment for Shortages/Excesses	
		2014-2015	2013-2014
1	Ammonia (Trombay-I)	139025	129915
2	Ammonia (Trombay-V)	358815	307755
3	Ammonia (Thal)	1339430	1199070
4	Urea (Trombay-V)	423480	352910
5	Urea (Thal)	2178010	1993800
6	Suphala 15:15:15 –Complex Fertilizer	396810	333295
7	Suphala 20:20:0 –Ammonium Nitro phosphate	260520	184125
8	Methanol	64443	77660
9	Ammonium Bicarbonate	30851	26946
10	Argon (million NM3)	1.85	1.53
11	Argon (million NM3) Thal	4.30	3.10
12	Nitric Acid (100%)-(HPNA)	105200	89545
13	Nitric acid (100%)(MPNA)	265890	222724
14	Sulphuric Acid (98%)	98089	65376
15	Phosphoric Acid	26050	17779
16	Dilute Sulphuric Acid	98761	77067
17	Sodium Nitrate/Nitrite	3798	4204
18	Concentrated Nitric Acid	25681	20015
19	Methylamines - (Trombay)	4782	3140
20	Methylamines - (Thal)	12049	10394
21	Ammonium Nitrate (100%)	101868	99706
22	Dimethyl formamide	2846	2832
23	Di Methyl Acetamide	1952	2667
24	Carbon Monoxide Plant (million NM3)	4.17	4.00
25	Biola (Liquid) (Ltrs)	125700	107340
26	Microla (Ltrs)	358100	263530
27	Formic Acid	5504	5769
28	Sujala 19:19:19	6025	3860

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G.Rajan)
Chairman and Managing Director

(Suresh Warior)
Director (Finance)

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

B. VALUE OF IMPORTS CALCULATED ON COST, INSURANCE, FREIGHT BASIS			
₹ in Crore			
Particulars		2014-2015	2013-2014
i)	Raw materials *	835.54	476.13
ii)	Components and Spare parts	9.05	29.09
iii)	Capital Goods	47.78	65.28
* Includes in transit as at year end ₹ 76.14 Crore (Previous year Nil) and excludes imports through Indian agencies ₹ 11.36 Crore (Previous year ₹ 30.42 Crore)			

C. EXPENDITURE IN FOREIGN CURRENCY			
₹ in Crore			
Particulars		2014-2015	2013-2014
i)	On account of Purchase of Traded goods, Royalty, know- how, professional consultancy fees, interest, license fees and other matters	211.07	257.49
ii)	Expenditure on foreign tours	0.13	0.45
iii)	Subscription to journals	0.11	0.23

D. EARNINGS IN FOREIGN EXCHANGE			
₹ in Crore			
Particulars		2014-2015	2013-2014
i)	Export of Goods calculated on FOB basis	0.73	1.68

E. CONSUMPTION OF RAW MATERIALS, SPARES AND COMPONENTS					
₹ in Crore					
	Particulars	2014-2015		2013-2014	
		Value Estimated	Total Consumption %	Value Estimated	Total Consumption %
A.	Raw Materials				
	Imported	754.57	25.48	681.49	26.92
	Indigenous	2206.81	74.52	1849.60	73.08
	Total	2961.38	100.00	2531.09	100.00
B.	Spares and Components				
	Imported	17.79	6.90	21.98	13.46
	Indigenous	113.80	93.10	141.30	86.54
	Total	131.59	100.00	163.28	100.00

53. Previous year figures have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year.

As per our report of even date attached
For **M. M. NISSIM & Co.** Chartered Accountants
For **NBS & Co.** Chartered Accountants
(Dhiren Mehta) Partner
(Devdas Bhat) Partner

Dated : 21.05.2015
Place: Mumbai

SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31.03.2015

Annexure-1
₹ in Crore

Sr. No	Particulars	TROMBAY			THAL			TRADING			TOTAL		
		Fertilizers	Industrial Products	Total	Fertilizers	Industrial Products	Total	Fertilizers	Industrial Products	Total	Fertilizers	Industrial Products	Total
	SEGMENT REVENUE												
i	Sales (Incl. Subsidy wherever applicable)	2465.56	574.19	3039.75	3678.24	357.86	4036.10	625.84	-	625.84	6769.64	932.05	7713.45
ii	Inter Segment Revenue			-			-						-
	Total Revenue	2465.56	574.19	3039.75	3678.24	357.86	4036.10	625.84	-	625.84	6769.64	932.05	7713.45
	SEGMENT RESULT												
i.	Segment Results	224.91	83.95	308.86	402.40	22.50	424.90	34.35		34.35	661.66	106.45	768.11
ii.	Less: Other Unallocable Expenditure			74.13			4.39			6.63			139.33
iii.	(Net of Unallocable Income)												116.95
iv.	Interest Expense												5.57
v.	Interest Income												517.40
vi.	Operating Profit												7.77
vii.	Prior Period Expenses / (Income)												509.63
viii.	Profit before Tax												248.41
ix.	Tax - Current												(60.27)
x.	Deferred Tax Liability / (Asset)												(0.57)
xi.	Excess Provision of Tax written Back												322.06
	Net Profit												
	OTHER INFORMATION												
i.	Segment Assets	2329.63	146.90	2476.53	3117.24	134.05	3251.29	150.69		150.69	5597.56	280.95	5878.51
ii.	Unallocated Corporate Assets												361.29
iii.	Total Assets	2329.63	146.90	2476.53	3117.24	134.05	3251.29	150.69	-	150.69	5597.56	280.95	6239.80
iv.	Segment Liabilities	506.54	36.70	543.24	313.41	20.11	333.52	145.80		145.80	965.75	56.81	1022.56
v.	Unallocated Corporate Liabilities												425.13
vi.	Total Liabilities	506.54	36.70	543.24	313.41	20.11	333.52	145.80	-	145.80	965.75	56.81	1447.69
vii.	Capital Employed	1823.09	110.20	1933.29	2803.83	113.94	2917.77	4.89		4.89	4631.81	224.14	4792.11
viii.	Capital Expenditure			76.96			64.38			0.56			145.73
ix.	Depreciation			179.90			68.05						258.12
	Other Non Cash Expenses			9.52			4.90			2.98			52.06

SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31.03.2014

Annexure-1
₹ in Crore

Sr. No	Particulars	TROMBAY		THAL		TRADING		TOTAL														
		Fertilizers	Industrial Products	Fertilizers	Industrial Products	Fertilizers	Industrial Products	Fertilizers	Industrial Products	Unallocated	Total											
	SEGMENT REVENUE																					
i.	Sales (Incl. Subsidy wherever applicable)	1995.01	630.55	3201.26	246.20	3447.46	504.60	0.00	504.60	876.75	9.98	6587.60										
ii.	Inter Segment Revenue			-																		
	Total Revenue	1995.01	630.55	3201.26	246.20	3447.46	504.60	0.00	504.60	876.75	9.98	6587.60										
	SEGMENT RESULT																					
i.	Segment Results	82.54	140.14	325.19	29.00	354.19	(26.90)		(26.90)	169.14		549.97										
ii.	Less: Other Unallocable Expenditure			20.36		20.17			7.08			63.13										
iii.	(Net of Unallocable Income)																					
iv.	Interest Expense											131.29										
v.	Interest Income											11.39										
vi.	Operating Profit											366.94										
vii.	Prior Period Expenses / (Income)											(0.38)										
viii.	Profit before Tax											367.32										
ix.	Tax - Current											103.50										
x.	Deferred Tax Liability / (Asset)											13.93										
xi.	Excess Provision of Tax written Back											-										
	Net Profit											249.89										
	OTHER INFORMATION																					
i.	Segment Assets	1860.06	239.34	2880.15	125.39	3005.54	175.92		175.92	364.73		5280.86										
ii.	Unallocated Corporate Assets											333.99										
iii.	Total Assets	1860.06	239.34	2880.15	125.39	3005.54	175.92	0.00	175.92	364.73		5614.85										
iv.	Segment Liabilities	496.58	38.91	254.10	15.20	269.30	32.05		32.05	782.74		836.84										
v.	Unallocated Corporate Liabilities											345.53										
vi.	Total Liabilities	496.58	38.91	254.10	15.20	269.30	32.05	0.00	32.05	782.74		1182.37										
vii.	Capital Employed	1363.48	200.43	2626.04	110.20	2736.24	143.87	0.00	143.87	4133.39	310.63	4432.48										
viii.	Capital Expenditure					98.89			1.43			232.33										
ix.	Depreciation					66.82						141.75										
	Other Non Cash Expenses					1.49			3.27			8.87										

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** (“the Holding Company”), and its jointly controlled entity (the Holding Company and jointly controlled entity constitute “the Group”), comprising the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements.

2. The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us together with unaudited financial statements of a jointly controlled entity, certified by the Management of the Holding Company as referred to in Other Matters Para below are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, its consolidated profits and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

9. We draw attention to the following matter in the Notes to the consolidated financial statements:

- (a) Note No. A (1.2) read with Note No. A(1.4) to the consolidated financial statements stating that Rajasthan Rashtriya Chemicals & Fertilizers Limited, a subsidiary company, wherein the company holds 51% of ownership, has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been written off and winding up procedure has been initiated.
- (b) Note No. A (1.3) read with Note No. A(1.4) to the consolidated financial statements stating that proportionate consolidation in respect of investments in Urvarak Videsh Limited, a joint venture company, has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been fully provided for by the Holding Company.
- (c) Note No. 10(5) to the consolidated financial statements regarding non-disclosure of cost and depreciation of assets leased to certain Public Sector Undertakings and others.
- (d) Note No. A (10) in the Consolidated Financial Statements indicate that the group with effect from 1st April, 2014, has charged depreciation based on the revised remaining useful life of the assets, wherever appropriate, as per the requirements of schedule II of the companies Act, 2013. As a result of these changes, the depreciation charge for the year ended 31st March, 2015 is higher by ₹ 37.46 Crore and the assets and reserves & surplus being lower by the said amount. Further, consequent to Notification GSR 627(E) dated 29th August, 2014 of the Companies Act, 2013, Group has during the year charged off transitional depreciation amounting to ₹ 42.70 Crore to Statement of Profit and Loss. Our opinion is not modified in respect of these matters.

Other Matter

10. We did not audit the financial statement of Joint Venture Company, namely FACT RCF Building Products Ltd whose financial statements reflect the Group's share of total assets (net) of ₹ 23.23 Crore as at March 31, 2015, total revenues of ₹ 1.36 Crore and net cash outflows amounting to ₹ 0.80 Crore for the year then ended, as considered in the Consolidated Financial Statement. The consolidated financial statements also include the Group's Share of net loss of ₹ 11.94 Crore for the year ended 31st March, 2015, as considered in the Consolidated Financial Statements, in respect of its Jointly Controlled Entity whose financial

statements have not been audited by us. These Financial Statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the unaudited financial statements of a Jointly Controlled Entity certified by the Management of the Holding Company.

Report on Other Legal and Regulatory Matters

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the Comments in the Auditor's Report of the Holding Company read together with Other Matters Para referred to above, we give in the annexure I a statement on matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143(5) of the Act, based on the Comments in the Auditor's Report of the Holding Company read together with Other Matters Para referred to above, we give in the annexure II to this report the directions and sub-directions issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the holding company.
13. As required by Section 143 (3) of the Act, based on the Comments in the Auditor's Report of the Holding Company read together with Other Matters Para referred to above, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained

for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the holding company, none of the directors of the Holding Company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its financial position

in its financial statements – Refer Note 6 read with Note 12 to the consolidated financial statements;

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no delay, during the year, in transferring the amount required to be remitted to Investor Education and Protection Fund by the Holding Company.

For M. M. NISSIM & Co.
Chartered Accountants
Firm Regn. No. 107122W

For NBS & Co.
Chartered Accountants
Firm Regn. No. 110100W

(Dhiren Mehta)
Partner
Mem. No.: 109883

(Devdas Bhat)
Partner
Mem. No. 048094

Mumbai, May 21, 2015

Annexure I to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in our report of even date to the members of Rashtriya Chemicals and Fertilizers Limited as at and for the year ended 31st March, 2015).

Jointly Controlled entity which has been included in the Consolidated Financial Statements is based on unaudited financial statements of such entity as certified by the Management of the Holding Company and hence no report under the Order is available and accordingly the possible effect of the same on our reporting under the Order has not been considered.

All references to 'company' / 'management' refers only to the 'Holding Company and its Management.

- i) In respect of its Fixed Assets:
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. The items of assets in respect of which quantitative details are not linked with the cost or book value are of small value acquired prior to April 1978 and are fully depreciated particularly in respect of movable items acquired from Fertilizers Corporation of India Limited;
- b) As explained to us, the Plant & Machineries have been physically verified by the management at reasonable intervals during the year and all other fixed assets have been physically verified during the year by the management with the help of an independent outside agency. We have been informed that discrepancies noticed on physical verification of fixed assets as compared to the book records were not material;
- ii) In respect of its inventories:
- a) Physical verification of finished goods, packing materials and raw materials inside factory premises has been carried out by the management at reasonable intervals and the stocks of stores and spare parts has been conducted by them with the help of an independent outside agency in a phased programme so as to complete the verification of all items over a period. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively;
- b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the clauses 3(iii) (a) & (b) of the Order are not applicable;
- iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system, in respect of these areas.
- v) The Company has not accepted any deposits during the year from public.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) *In our opinion, the procedure followed as per Note No. 49 to the Financial Statements in respect of deduction and payment of income tax results into delays in certain cases. The exact delays are not ascertained.* Except the above, undisputed statutory dues, including Provident Fund, Employees'

State Insurance, Income Tax, Sales-Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have

remained outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b) According to the records of the company, the dues of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute and the forum where the dispute is pending are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Customs Act 1962	Demand of Customs duty and penalty (Trombay Unit)	16.35	2004-05	Central Excise , Service Tax Appellate Tribunal
Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug
Customs Act, 1962	Demand of differential custom duty on import of Potash (Marketing)	0.16	2012-13	Commissioner of Customs, Mangalore
Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.53	A.Y. 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of provision towards wage revision	4.85	A.Y. 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of additional depreciation claimed	5.08	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand of Tax for short Deduction/non deduction of TDS	0.21	A.Y.2009-10 to 2010-11	Commissioner of Income Tax (Appeals)
Sales Tax, Maharashtra	Disallowance/ errors in calculation of set off etc., in the Assessment Order Passed	6.58	A. Y. 2009-10	Joint Commissioner of Sales Tax (Appeals)
		18.24	A. Y. 2006-07	Joint Commissioner of Sales Tax (Appeals)
Central Excise Act, 1944	Demand of Central Excise duty, Interest & Penalty in respect of Naphtha procured at concessional rates used for products which are not exempted (Thal Unit)	2.67	1996-2001	Supreme Court
		3.54	March, 2005 to October, 2005	Central Excise , Service Tax Appellate Tribunal
		18.61	November, 1996 to February, 2005 (Interest)	Supreme Court

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of Central Excise duty in respect of Low Sulphur High Stock/Furnace Oil procured at concessional rates used for other than fertilizer products (Trombay Unit)	19.67	Prior to 1997 to March 2006	Central Excise , Service Tax Appellate Tribunal
	Demand of Central Excise duty in respect of Low Sulphur High Stock/Furnace Oil procured at concessional rates used for other than fertilizer products (Trombay Unit)	2.90	August 1986 to February 2000	Commissioner of Central Excise (Appeals)
Service Tax	Demand of Service Tax on supply of wagons to Central Railway	1.54	April, 2008 to December, 2011	Commissioner of Central Excise, Customs, & Service Tax
		0.18	January, 2012 to December, 2014	Assistant Commissioner, Central Excise, Customs & Service Tax
Service Tax	Demand of Service Tax on Handling by Transporter Service	0.01	2006-07 & 2007-08	Superintendent, (S. T. Special Cell), Aurangabad
Service Tax	Demand of Service Tax on fees received for Operation & maintenance of HWP (Thal Unit)	8.01	October, 2006 to December, 2014	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Service Tax on rent on BTAL Wagons	0.14	2008-09 to June, 2011	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Deputation of officials to Joint Venture	0.08	2008-09 to 2013-14	Additional Commissioner, Central Excise & Service Tax, Mumbai
Service Tax	Renting of immoveable property (office premises)	0.31	2008-09	Commissioner of Central Excise (Appeals)

- c) Based on the records examined by us, there is no delay, during the year, in transferring the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- ix) The company has not defaulted in repayment of its dues to banks. The company does not have any borrowings from Financial Institutions or by way of debentures.
- x) According to the information and explanations given to us, the company has given a corporate guarantee for

loan from Bank taken by its Joint Venture Company viz. FACT RCF Building Products Ltd., the terms and conditions whereof in our opinion, are not prima-facie prejudicial to the interest of the Company.

- xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained other than funds temporarily invested pending utilization for the intended use.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For M. M. NISSIM & Co.

Chartered Accountants

Firm Regn. No. 107122W

For NBS & Co.

Chartered Accountants

Firm Regn. No. 110100W

(Dhiren Mehta)

Partner

Mem. No.: 109883

Mumbai, May 21, 2015

(Devdas Bhat)

Partner

Mem. No. 048094

Annexure II to the Independent Auditors' Report (Report on Section 143(5))

(Referred to in our report of even date to the members of Rashtriya Chemicals and Fertilizers Limited as at and for the year ended 31st March, 2015).

Jointly Controlled entity which has been included in the Consolidated Financial Statements is based on unaudited financial statements of such entity as certified by the Management of the Holding Company and hence no report under Sub-section (5) of Section 143 of the Act is available and accordingly the possible effect of the same on our reporting under the said Section has not been considered.

All references to 'company' / 'management' refers only to the 'Holding Company and its Management.

A. Directions

- 1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process**

To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not been slated for disinvestment in 2014-15.

- 2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved**

Based on the records examined by us, during the year an amount of ₹1.92 Crore has been written off towards bad debts. This is in line with the Company's accounting policy on provision for bad and doubtful debts and write off of the same.

- 3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities**

Based on the audit procedures performed by us and as per the information and explanations given to us, proper records are maintained for inventories lying with third parties.

- 4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.**

Based on the audit procedures performed by us and as per the information and explanations given to us, out of total 146 legal cases outstanding as on 31st March, 2015, 141 cases are pending for more than 3 years.

To the best of our knowledge and belief and according to the information and explanations given to us, Services of legal counsels are availed by the Company depending upon the nature of disputes and considering that a favourable outcome would emerge based on the legal stand taken and merits of the case. Appointment of legal counsels is governed Company's Delegation of Power's and thus the monitoring mechanism of expenditure on legal cases is effective.

B. Sub Directions

- 1. Whether Company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.**

Based on the audit procedures performed by us and as per the information and explanations given to us, the details of freehold land and title deeds available/not available with the company are as under:-

Information of Freehold Land

i. TROMBAY

Location	Particulars	Total Area (in Sq. Mt.)	Area in the name of RCF (in Sq. Mt.)	Remarks
Trombay	Freehold Land	30,97,278	27,04,080	As informed to us, matter is being taken up with concerned authorities for reconciliation of area

ii. THAL

Location	Particulars	Total Area (in Sq. feet/ Sq meter/ Acre/hectares)	Area in the name of RCF (in Sq. feet/ Sq meter/ Acre/hectares)	Remarks*
RCF Factory & Roads	Freehold Land	313-52.12 hectares	241-49.52 hectares	Verified with 7/12 extract which shows the area of 253-73.70 Hectares.
Township Kihim	Freehold Land	7-10.10 hectares	-	The land is in possession of RCF. As informed, Transfer of title deed to village record is in progress and will take some time
Township - Kurul - Veshvi - Chendhare	Freehold Land	83-23.71 hectares	78-85.91 hectares	Balance 4-37.8 Hectares of land, is not in name of RCF. As informed, steps are being taken for the transfer of title deeds.
Railway Land	Freehold Land	101-38.83 Hectares	-	No documents verified. As informed, request letter has been sent to concerned authorities for providing 7/12 extract for the said area.
Total Thal Freehold Land		505-24.76 Hectares	320-35.43 Hectares	

* The matter is being taken up with the concerned authorities for reconciliation of area.

2. State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.

To the best of our knowledge and belief and according to the information and explanations given to us, instances of encroachment of land have been observed at Trombay unit which are as under:-

- i. Approx. 5 acres of land which is in the name of RCF has been encroached since the time of FCI. The value of the land cannot be determined exactly. RCF has approached the agencies like MMRDA for development of this land.

- ii. Approx. 15 Acres is under slum/encroached since 1980. Slums from other pockets were shifted on this land and is without clear title in favour of RCF. The matter is taken up with appropriate authorities for clear title in favour of RCF.

Both the matters are pending in Mumbai High Court for resolution.

As explained to us, other than the above there are no cases of encroachment of land at other locations.

3. Whether subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted.

Based on the audit procedures performed by us and as per the information and explanations given to us, subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted. In addition to the same, for the rates yet to be notified due to escalations/de-escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis which is in line with its stated accounting policy of revenue recognition given in Note no.32 to the financial statements for the year 2014-15.

4. (i) Whether amount of (a) bank balance (b) trade receivable (c) trade payables (d) loans and advances for which third party confirmation was not made available has been reported.

(ii) Where such balance has been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial.

The balance confirmation letters were available in case of the balances with the banks and bank loans.

In respect of Trade Receivables, as informed to us, during the year 2014-15, the statement of balances was taken from SAP system and sent to the parties for confirmation and about 83 % confirmation of balances from debtors has been received.

As regards balance confirmation relating to trade payables despite the Company sending balance confirmation letters, receipt of confirmation of balances is very insignificant despite repeated follow-up. To facilitate reconciliation and review of balances by customers and vendors on a periodic basis, Company has also installed Customer and Vendor Portal in its website which would enable them to view their

account online. Further disclosure of amounts in dispute with vendors is included under claims not acknowledged as debts in the notes forming part of financial statements.

Balances of subsidy claim receivables and tax refunds from Government authorities are subject to confirmation which has also been disclosed in note no. 31 of financial statements.

5. Independent verification may be made, of information/inputs furnished to* Actuary, viz. number of employees, average salary, retirement age etc. and assumptions made by the Actuary regarding the discount rate, future cost increase, mortality rate, etc. for arriving at the provision for liability of retirement benefits, viz. gratuity, leave encashment, post-retirement medical benefit etc.

Based on the audit procedures performed on test check basis for the purpose of verification of information/inputs furnished by the company to Actuary, viz. number of employees, average salary, retirement age etc. and according to information and explanation given by the management, no material discrepancies were noticed.

Following are the assumptions used by the Actuary:-

Sr No.	Particulars	Rate
1	Discount Rate	7.95%
2	Attrition Rate	2.00%
3	Salary Escalation Rate	8.00%
4	Mortality Rate	IALM (2006-08) Ultimate

Assumptions made by Actuary regarding Salary Escalation Rate & Attrition Rate are as advised by the Company. Based on the audit procedure performed on test check basis on the data given by the management and according to information and explanation given by the management, the said assumptions appear to be reasonable.

For M. M. NISSIM & Co.

Chartered Accountants

Firm Regn. No. 107122W

(Dhiren Mehta)

Partner

Mem. No.: 109883

Mumbai, May 21, 2015

For NBS & Co.

Chartered Accountants

Firm Regn. No. 110100W

(Devdas Bhat)

Partner

Mem. No. 048094

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of consolidated financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with section 129(4) of the Act, of the consolidated financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Rashtriya Chemicals and Fertilizers Limited but did not conduct supplementary audit of the financial statements of FACT-RCF Building Products Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(Roop Rashi)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 24 July 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Crore

Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	551.69	551.69
b) Reserves and Surplus	2	2163.63	1938.36
TOTAL		2715.32	2490.05
2. NON-CURRENT LIABILITIES			
a) Long term Borrowings	3	414.81	372.98
b) Deferred Tax Liabilities(Net)	4	196.73	257.00
c) Other Long term liabilities	5	59.03	55.20
d) Long Term Provisions	6	150.68	103.20
		821.25	788.38
3. CURRENT LIABILITIES			
a) Short term Borrowings	7	1509.89	1335.01
b) Trade Payables	8	597.93	494.07
c) Other Current Liabilities	9	413.34	333.42
d) Short term Provisions	6	235.78	199.61
		2756.94	2362.11
TOTAL		6293.51	5640.54
II. ASSETS			
1. NON CURRENT ASSETS:			
(a) FIXED ASSETS:			
	10		
(i) Tangible Fixed Assets		1546.67	1673.05
(ii) Intangible Assets		5.24	3.27
(iii) Capital Work in Progress		61.45	77.37
(b) Non-Current Investments	11	0.17	0.17
(c) Long Term Loans and advances	12	224.67	129.78
(d) Other non-current assets	13	9.87	16.13
		1848.07	1899.77

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Crore

Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
2. CURRENT ASSETS :			
(a) Inventory	14	993.20	803.90
(b) Trade Receivables	15	3297.39	2769.10
(c) Cash and Cash Equivalents	16	85.59	72.01
(d) Short term loans and advances	12	39.45	37.74
(e) Other current assets	13	29.81	58.02
		4445.44	3740.77
TOTAL		6293.51	5640.54

Statement of Significant Accounting Policies and Explanatory Information on Consolidated Financial Statements

A

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G.Rajan)
Chairman and Managing Director

(Suresh Warior)
Director (Finance)

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

As per our report of even date attached

For **M. M. NISSIM & Co.** Chartered Accountants

For **NBS & Co.** Chartered Accountants

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

Dated : 21.05.2015
Place: Mumbai



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore.

Particulars		Note No.	Year Ended March 2015	Year Ended March 2014
I	Revenue from Operations (Gross)	17	7862.89	6723.68
	Less : Excise Duty		(148.21)	(135.59)
	Revenue from Operations (Net)		7714.68	6588.09
II	Other Income	18	74.49	74.45
III	Total Revenue(I+II)		7789.17	6662.54
IV	Expenses:			
	Cost of Materials Consumed	19	3113.05	2646.34
	Purchases of Stock in Trade	20	525.88	284.12
	Changes in Inventories of Finished Goods/Work in Progress and Stock in Trade	21	(7.87)	309.56
	Employee Benefits Expense	22	527.51	443.18
	Finance Costs	23	121.64	135.97
	Depreciation and Amortization	10	264.00	144.59
	Other Expenses	24	2712.60	2340.21
	Total Expenses		7256.81	6303.97
V	Profit before tax (III-IV)		532.36	358.57
VI	Tax Expense			
	(1) Current tax		248.41	103.50
	(2) Deferred tax		(60.27)	13.93
	(3) Adj of tax provision of earlier years Excess(-)/Short(+)		(0.57)	-
VII	Profit/(Loss) for the year (V-VI)		344.79	241.14
VIII	Earnings per equity share			
	Basic and Diluted Earnings per share		6.25	4.37
	Statement of Significant Accounting Policies	A		
	Explanatory Information on Financial Statements			

As per our report of even date attached

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

For **M. M. NISSIM & Co.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G.Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(Suresh Warrior)
Director (Finance)

Dated : 21.05.2015
Place: Mumbai

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore.

Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
A Cash Flow From Operating Activities		
Net Profit before tax	532.36	358.56
Adjustments for :		
Depreciation/Loss on impairment of Assets	271.91	144.78
Profit(-) / Loss on sale of Assets	8.12	1.75
Profit(-) / Loss on Sale/MTM of Equity Investments	-	0.18
Interest Income	(5.69)	(11.52)
Dividend income	(0.09)	(0.12)
Interest on Borrowings	116.95	131.29
Provision for Bad/Doubtful debts	4.32	6.61
Unrealised Foreign Exchange (Gain) /Loss	25.77	(13.70)
SUB TOTAL	421.29	259.27
Operating Profit before Working Capital Changes	953.65	617.83
Adjustments for :		
Trade and Other Receivables	(564.65)	(235.55)
Inventories	(189.29)	402.38
Trade Payables and Other Liabilities	256.73	(392.29)
SUB TOTAL	(497.21)	(225.45)
Cash Generated from Operations	456.44	392.38
Direct Taxes Paid	(243.67)	(77.05)
Cash Flow before Extraordinary Items	212.77	315.33
Net Cash from Operating Activities ----- A	212.77	315.33
B Cash Flow from Investing Activities		
Additions to Fixed Assets(Net of trade credit)	(207.38)	(222.42)
Sale of Fixed Assets	0.45	(0.07)
Interest Received	5.65	11.58
Dividend Received	0.09	0.12
Fixed Deposit Maturity more than 3 months	(0.12)	128.58
SUB TOTAL	(201.31)	(82.21)
Net Cash from Investing Activities ----- B	(201.31)	(82.21)
C Cash Flow from Financing Activities		
Net proceeds/(Repayment) of Working capital facilities and short term loans	147.78	(97.87)
Proceeds from Borrowings	100.05	210.34
"Repayments of Borrowings"	(32.17)	(92.58)
Interest paid	(116.65)	(133.10)
Dividend paid (including Dividend Distribution Tax)	(96.76)	(96.73)
SUB TOTAL	2.25	(209.94)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore.

Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
Net Cash from Financing Activities ---- C	2.25	(209.94)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	13.71	23.18
Cash and Cash Equivalents as at 1 st April (Opening Balance)	69.78	46.60
Cash and Cash Equivalents as at 31 st March (Closing Balance)	<u>83.49</u>	<u>69.78</u>
Components of Cash and Cash Equivalents		
Cash on hand	0.02	0.02
Cheques in hand	0.02	1.45
Balance with Banks		
Deposits with original maturity less than 3 months	76.03	0.98
In Current and Cash Credit accounts	7.42	67.33
	<u>83.49</u>	<u>69.78</u>

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard-3 (Revised) "Cash Flow Statements".

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G.Rajan)
Chairman and Managing Director

(Suresh Warior)
Director (Finance)

(D. M. Sati)
Company Secretary

Dated : 21.05.2015
Place: New Delhi

As per our report of even date attached
For **M. M. NISSIM & Co.** For **NBS & Co.**
Chartered Accountants Chartered Accountants

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

Dated : 21.05.2015
Place: Mumbai

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 1	“SHARE CAPITAL”	AS AT 31.03.2015	AS AT 31.03.2014
Authorised			
	80,00,00,000 (Previous Year 80,00,00,000) Equity Shares of ₹ 10/- each	800.00	800.00
Issued, Subscribed and Paid Up			
	55,16,88,100 (Previous Year 55,16,88,100) Equity shares of ₹10/- each fully paid up.	551.69	551.69
	TOTAL	551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING YEAR

	31.03.2015		31.03.2014	
	No.	₹ in Crore	No.	₹ in Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms/Rights Attached to Equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE GROUP

	31.03.2015		31.03.2014	
	No.	% age of share holding	No.	% age of share holding
Equity Shares of ₹ 10 each fully paid up				
Promoters (Government of India)	441353888	80.00	441353888	80.00
Life Insurance Corporation of India	30759700	5.58	35566427	6.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 2	"RESERVES AND SURPLUS"	AS AT	AS AT
		31.03.2015	31.03.2014
General Reserve			
Balance as per last Balance Sheet.		1938.20	1793.85
Add : Transferred from Statement of Profit and Loss		225.27	144.35
Closing Balance		2163.47	1938.20
RCF - EEC Asset Management Reserve			
Balance as per last Balance Sheet.		0.16	0.16
Additions during the year		-	-
Closing Balance		0.16	0.16
Surplus in the Statement of Profit and Loss			
Profit for the year		344.79	241.14
Less: Appropriations			
Proposed Dividend [₹ 1.80 per share, (P.Y. ₹ 1.50 per share)]		99.30	82.75
Tax on Dividend		20.22	14.04
Transfer to General Reserve		225.27	144.35
Total Appropriations		344.79	241.14
Net Surplus in the Statement of profit and Loss		-	-
TOTAL		2163.63	1938.36

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
SECURED					
Term Loan from Banks					
1 Rupee Loan from Banks					
a. Loan from Kotak Mahindra Bank					
A loan of ₹ 100 Crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the amount borrowed from this bank. 50% of the loan carries a fixed rate of interest of 10.35% pa and the remaining 50% of the loan carries a floating rate of interest benchmarked to the Bank's PLR plus margin of 0.90% per annum and during the year the rate of interest varied around 10.26% per annum. The rate of interest is now fixed at 10% per annum wef September 2014. Repayment of the said loan will fall due for ₹ 33.33 Crore in F.Y. 2015-16, ₹ 33.33 Crore in F.Y. 2016-17 and ₹ 8.34 Crore in F.Y. 2017-18.		41.67	75.00	33.33	25.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
b.	Loan from Hongkong and Shanghai Banking Corporation (HSBC)	-	6.00	6.00	12.00
	A loan of ₹ 36 Crore availed from Hongkong Shanghai Banking Corporation consequent to the conversion of a portion of loan availed in Euro under FCNR(B) arrangement with the said Bank in the previous year. The said loan is secured by first pari passu charge by way of hypothecation on all movable fixed assets of Ammonium Nitrophosphate Plant at Trombay. The rate of interest is 10% per annum. The repayment of the term loan would be ₹ 6 Crore in F.Y. 2015-16.				
c. (i)	Loan from State Bank of India(SBI)	7.57	7.68	-	-
	(Amount sanctioned ₹ 20.05 Crore)				
c. (ii)	Loan from Dena Bank	20.29	20.60	-	-
	(Amount sanctioned ₹ 44.00 Crore)				
c. (iii)	Loan from New India Co-operative Bank	12.39	12.59	-	-
	(Amount sanctioned ₹ 24 Crore) As per multi Banking loan agreement , secured				
	The above loans by SBI,Dena Bank and New India Co-operative Bank are secured by				
	a) First charge on all movable and immovable asset present and future leasehold land of Joint Venture entity ranking pari passu with other term lenders.				
	b) Based on Company's request the terms loan account was restructured by Corporate Debt Restructuring (CDR) Cell during 2013-14 with the following major terms and conditions:				
	1. Cut Off Date (COD) as September 1, 2012.				
	2. Rate of interest is 11% p.a.with re-set option annually after three years.				
	3. Term Loan repayable in twenty structured quarterly instalments commencing from 31 st December 2015.				
	4. Overdue interest as on COD and future interest on Term Loan for thirty months from COD to be transferred to Funded Interest Term Loan (FITL). Rate of interest at 11.00% p.a with reset option once in three years.				
	5. FITL to be repaid in twelve structured quarterly installments commencing from December 2015. Interest on FITL to be serviced as and when applied.				
	6. Non CDR lender - M/S New India Co-operative Bank to fall in line with CDR restructuring terms.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
	7. Initial working capital requirement is assessed as ₹ 6.00 Crore. After meeting the Dena Bank's share of ₹ 4.40 Crore, the balance ₹ 1.60 Crore is to be bought in by the Company to bridge the gap.				
	8. As a common security for Term Loan and Working Capital finance, Corporate guarantees from Promoter Companies on a equal share is required to be given. (₹ 37.66 Crore) being 50% share , P.Y. (₹37.66 Crore)				
	SUB TOTAL	81.92	121.87	39.33	37.00
	SECURED				
	2 Foreign Currency Loan / External Commercial Borrowings				
	a. Loan from HSBC Bank (Mauritius) Limited	123.30	140.77	24.41	8.35
	Term loan of USD 25 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.2011561, is secured by first pari passu charge by way of hypothecation on all current and future plant and machinery of the revamped Ammonia and Urea Plants situated at Thal. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 24.41 Crore in F.Y. 2015-16, ₹ 55.71 Crore in F.Y. 2016-17 and ₹ 67.60 Crore in F.Y. 2017-18.				
	b. Capital Expenditure Buyers credit from HSBC Mauritius	-	-	-	26.66
	Capex Buyers credit amounting to USD 4469125 availed from Hongkong Shanghai Banking Corporation for purchase of plant and machinery from abroad , with bullet repayment after 3 years , secured by first pari passu charge by way of hypothecation on all movable properties forming part of existing Ammonia and Urea plants at Thal Unit with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The buyer's credit arrangement carries an interest at USD LIBOR plus margin of 1.30% per annum. The said buyers credit has been fully repaid during the year				
	c. Loan from HSBC Bank (Mauritius) Limited	115.79	110.34	-	-
	Team loan of USD 18.50 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration by the No. 201303177 is secured by first pari passu charge by way of hypothecation on movable fixed assets of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 115.79 Crore in F.Y. 2016-17.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 3	"LONG TERM BORROWINGS"	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
d. Loan from Kotak Mahindra Bank		93.80	-	6.25	-
<p>A foreign currency Term loan of ₹ 100 Crore equivalent to USD 15.99 Million availed by the Company from Kotak Mahindra Bank Limited, is to be secured by way of hypothecation of movable plant and machinery acquired or to be acquired from the said loan to the extent of 1.25 times of the loan amount. The rate of interest is 6 months USD LIBOR plus margin of 2.75% per annum. Repayment of the said loan would fall due for ₹ 6.25 Crore in F.Y. 2015-16, ₹ 25.01 Crore in F.Y. 2016-17, ₹ 25.01 Crore in F.Y. 2017-18, ₹ 25.01 Crore in FY 2018-19 and ₹ 18.76 Crore in FY 2019-20. The charge for the said loan is yet to be created.</p>					
SUB TOTAL		332.89	251.11	30.66	35.01
<p>Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 9)</p>					
TOTAL (i+ii)		414.81	372.98	-	-

₹ in Crore

NOTE NO. 4	"DEFERRED TAX LIABILITIES (NET)"	AS AT	AS AT
		31.03.2015	31.03.2014
a. Deferred Tax Liability:			
Depreciation		302.68	335.14
	Total	302.68	335.14
b. Deferred Tax Asset:			
Provision for doubtful debts/claims		7.62	6.43
Provision for obsolescence of stores		5.83	1.60
Provision for diminution in value of investments		11.38	-
Expenditure allowed on payment basis		78.13	62.61
Other Timing Differences		2.99	7.50
	Total	105.95	78.14
	Net Deferred Tax Liability	196.73	257.00

₹ in Crore

NOTE NO. 5	"OTHER LONG TERM LIABILITIES"	AS AT	AS AT
		31.03.2015	31.03.2014
Security Deposit from Vendors		7.88	6.60
Standing Deposit from Customers		50.29	47.68
Deposit from Employees		0.86	0.92
Total		59.03	55.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 6	"PROVISIONS"	LONG TERM		SHORT TERM	
		AS AT	AS AT	AS AT	AS AT
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
A)	Provision for Employee Benefits				
	Provision for EL Encashment	98.77	66.77	79.71	96.43
	Provision for Post Retirement Medical Benefits	51.91	36.43	3.61	2.92
		<u>150.68</u>	<u>103.20</u>	<u>83.32</u>	<u>99.35</u>
B)	Other Provisions				
	Proposed Dividend	-	-	99.30	82.75
	Tax on Dividend	-	-	20.22	14.06
	Provision for Taxation less Advance Tax	-	-	30.41	0.92
	Others	-	-	2.53	2.53
		<u>-</u>	<u>-</u>	<u>152.46</u>	<u>100.26</u>
	TOTAL	<u>150.68</u>	<u>103.20</u>	<u>235.78</u>	<u>199.61</u>

₹ in Crore

NOTE NO. 7	"SHORT TERM BORROWINGS"	AS AT 31.03.2015	AS AT 31.03.2014
SECURED:			
A.	Working Capital facilities from Bank		
	Cash Credit from banks	25.26	26.18
	Working Capital Demand Loan, includes an amount of ₹ Nil (P.Y.₹491.64 Crore) under a Special Banking Arrangement secured by hypothecation of specific subsidy claims to be settled by DOF/FICC	565.00	751.64
B.	Rupee Term Loans		
	Rupee loan from New India Co-operative Bank (Secured by hypothecation on Plant and Machinery of Methanol Plant situated at Trombay).	-	18.75
	Total Secured	<u>590.26</u>	<u>796.57</u>
UNSECURED:			
	Foreign currency loans from banks-Buyers Credit	769.63	518.41
	Rupee loans from banks	150.00	20.03
	Total Unsecured	<u>919.63</u>	<u>538.44</u>
	TOTAL	<u>1509.89</u>	<u>1335.01</u>

Cash Credit and Working capital Demand loan from banks is secured by hypothecation of entire stocks of raw materials and finished goods, stock in transit, and book debts and consumable stores and spares. The said arrangement carries a rate of interest which varied between 9.5% to 10.5% per annum during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 8	"TRADE PAYABLES"	AS AT 31.03.2015	AS AT 31.03.2014
Trade Payables		597.93	494.07
	TOTAL	597.93	494.07

₹ in Crore

NOTE NO. 9	"OTHER CURRENT LIABILITIES"	AS AT 31.03.2015	AS AT 31.03.2014
Current maturities of long term debt (Refer Note No.3)		73.81	72.01
Interest accrued but not due on borrowings		6.61	5.73
Income received in advance		77.61	28.90
Unclaimed dividend (**)		0.56	0.51
	Sub Total	159.01	107.15
Other Payables			
Creditors on Capital Account		13.90	46.82
Deposit from Customers		49.28	42.63
EMD & Security Deposit from Vendors		40.16	33.84
Subsidy on unsold stock		50.64	37.11
Statutory Dues:			
Withholding Taxes		6.09	5.27
VAT/Sales Tax		4.58	4.80
Other taxes		3.52	4.12
Other Liabilities:			
Ex-gratia & employee benefits		67.77	27.45
Others		17.21	24.21
Overdrawn balances in Current Account		1.18	0.02
	Sub Total	254.33	226.27
	TOTAL	413.34	333.42

** No amounts are due & payable to Investor Education & Protection Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 10		FIXED ASSETS									
FIXED ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION					NET BLOCK		
Description	AS.AT 31.03.2014	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2015	UPTO 31.03.2014	Provided during the year	On items Sold/ Discard- ed/Ad- justed	UPTO 31.03.2015	Im- pair- ment Loss	AS.AT 31.03.2015	AS.AT 31.03.2014
Tangible Assets:											
Land (Freehold)	10.79	-	-	10.79	-	-	-	-	-	10.79	10.79
Land (Leasehold) #	20.15	-	8.97	11.18	4.58	0.80	2.24	3.14	-	8.04	15.58
Roads & Culverts	14.36	0.06	-	14.42	4.26	6.88	-	11.14	-	3.28	10.10
Buildings	193.76	9.87	0.16	203.47	114.11	6.77	0.06	120.82	-	82.65	79.65
Railway sidings	51.89	2.07	0.02	53.94	40.35	2.10	0.02	42.43	-	11.51	11.54
Plant & Machinery	3582.30	125.00	89.57	3617.72	2039.82	184.10	88.16	2135.76	115.07	1366.89	1474.05
Water System, Sewerage & Drainage	22.61	4.93	-	27.54	19.77	0.63	-	20.40	-	7.14	2.84
Miscellaneous Equipments	96.54	5.04	0.23	101.35	57.90	12.45	0.13	70.22	-	31.13	38.64
Furniture & Fixtures	20.32	2.03	7.80	14.55	11.82	1.33	7.63	5.52	-	9.03	8.50
Office Equipment	40.20	2.72	1.58	41.34	21.98	7.43	1.55	27.86	-	13.48	18.22
Transport Vehicles	6.09	0.43	0.33	6.19	3.66	0.84	0.31	4.19	-	2.00	2.43
Intangible Assets											
Computer Software	14.25	3.91	-	18.16	10.98	1.94	-	12.92	-	5.24	3.27
Assets held for disposal	0.72	-	-	0.72	-	-	-	-	-	0.72	0.72
TOTAL	4073.98	156.06	108.66	4121.38	2329.23	225.27	100.10	2454.40	115.07	1551.90	1676.32
Previous Year Figures	3747.92	346.86	20.80	4073.98	2210.04	138.31	19.12	2329.23	68.43	1676.32	
Share of Joint Venture Assets included in above	62.99					5.88		12.22			

₹ in Crore

	Year Ended March 2015	Year Ended March 2014
Notes :		
1. Depreciation/Impairment on tangible assets provided during the year	269.97	143.18
Amortisation on intangible assets during the year	1.94	1.60
	271.91	144.78
2. Charged to Statement of Profit & Loss:		
Depreciation/Impairment Provided During the year	264.00	144.59
Under Research and Development	0.17	0.05
As net adjustment relating to Prior Years	7.74	0.14
Total	271.91	144.78
3. Land at Thal included in Gross Block (at cost) at ₹2.33 Crore is subject to final revision in price.		
4. Additions/Adjustments include the following		
Exchange Differences		
Borrowing Costs		
	Item of Asset	
	Plant & Machinery	
	9.10	10.92
	-	1.21
	9.10	12.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

- 5 The Company is charging rent to certain Public Sector Undertakings and other parties for utilising part of its Land and Buildings. It is not feasible to segregate Cost and Depreciation amount in respect of Fixed assets so utilised and hence has not been disclosed separately.

Deductions / Adjustments includes an amount of ₹ 6.73 Crore towards leasehold land proposed to be surrendered to Vizag Port Trust Authorities in view of non usage of said land for a specific purpose.

		₹ in Crore	
NOTE NO. 11	"NON-CURRENT INVESTMENTS "	AS AT 31.03.2015	AS AT 31.03.2014
Unquoted Trade Investments (Fully paid up):			
Subsidiary			
Urvarak Videsh Ltd.			
(1,80,000 equity shares(P.Y.1,80,000) of ₹ 10 each)			
(Nil equity shares allotted during C.Y., 30,000 equity shares allotted during P.Y.)			
Less:- Provision for Diminution in the value of investment			
		0.18	0.18
		(0.18)	(0.18)
		-	-
Unquoted Investments			
Investments -Others			
(3,36,600 equity shares of ₹ 10 each of Indian Potash Ltd.)			
		0.17	0.17
		0.17	0.17
Aggregate Provision for dimunition in the value of investments		0.18	0.18

		₹ in Crore			
NOTE NO. 12	"LOANS AND ADVANCES"	NON CURRENT		CURRENT	
		AS AT	AS AT	AS AT	AS AT
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Capital Advances -Unsecured Considered good		13.29	7.04	-	-
Considered Doubtful		0.69	1.13	-	-
Less:Provision		(0.69)	(1.13)	-	-
		13.29	7.04	-	-
Security Deposits-Unsecured Good		16.93	17.06	1.66	1.41
Considered Doubtful		0.19	0.18	-	-
Less:Provision		(0.19)	(0.18)	-	-
		16.93	17.06	1.66	1.41
Loans:					
-Employees					
Secured Considered Good (Incl. accrued interest C.Y. ₹ 3.72 Crore P.Y. ₹ 6.51 Crore).		2.18	6.01	2.96	0.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 12 "LOANS AND ADVANCES"	NON CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
ADVANCES RECOVERABLE IN CASH OR IN KIND. UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED				
Contractors	-	0.03	26.67	21.20
Employees	0.01	0.02	0.29	1.78
VAT Receivable	165.28	97.69	0.60	0.01
Others	0.21	0.14	4.02	7.71
	<u>165.50</u>	<u>97.88</u>	<u>31.57</u>	<u>30.70</u>
Considered Doubtful	9.83	8.38	-	-
Less: Provision for doubtful advances	(9.83)	(8.38)	-	-
	-	-	-	-
Advance Income Tax (Net of Provision)	25.34	0.02	0.02	0.06
Deposits with Customs, Port Trust etc.	0.77	0.81	1.55	0.20
Prepaid expenses	0.66	0.96	1.69	4.51
TOTAL	<u>224.67</u>	<u>129.78</u>	<u>39.45</u>	<u>37.74</u>

₹ in Crore

NOTE NO. 13 "OTHER ASSETS"	NON CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Unsecured-Considered Good, unless Otherwise Stated				
Unamortized Premium on Forward contracts	-	-	1.53	8.54
Interest Accrued	-	-	0.15	0.11
Other Receivables	9.87	16.13	28.13	49.37
Other Receivables - Considered Doubtful	1.18	0.47	-	-
Less: Provision for doubtful Receivables	(1.18)	(0.47)	-	-
	<u>9.87</u>	<u>16.13</u>	<u>29.81</u>	<u>58.02</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 14	"INVENTORIES"	AS AT	AS AT
		31.03.2015	31.03.2014
	Raw materials	363.25	152.45
	Finished Goods	167.25	176.90
	Stock in Trade/Bought out Products	44.05	29.57
	Intermediary Products	29.88	27.54
	By products	10.04	8.70
	Stores & Spares, packing materials and Petroleum products	394.57	412.56
	Less: Provision for Obsolescence / Loss under Investigation	(15.85)	(4.70)
		378.72	407.86
	Certified Emission Reduction Credits (No. of Units C.Y. 973738 , P.Y. 841425)	-	0.88
		993.20	803.90
Inventory Includes:			
i) In Transit			
	Raw Materials	76.14	-
	Finished Goods	16.60	54.33
ii) Stores and Spares			
	a) Under inspection	1.99	1.93
	b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
	c) With fabricators	11.41	11.67

₹ in Crore

NOTE NO. 15	"TRADE RECEIVABLES"	NON CURRENT		CURRENT	
		AS AT	AS AT	AS AT	AS AT
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Overdue for a period exceeding six months					
Secured-considered good.					
	Debtors	-	-	0.55	4.56
	Subsidy Receivables	-	-	-	-
		-	-	0.55	4.56
Unsecured-considered good.					
	Debtors	-	-	0.91	14.92
	Subsidy Receivables	-	-	894.92	1019.05
		-	-	895.83	1033.97
Other Debts					
Secured-considered good					
	Debtors	-	-	87.52	8.04
	Subsidy Receivables	-	-	-	-
		-	-	87.52	8.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 15	"TRADE RECEIVABLES"	NON CURRENT		CURRENT	
		AS AT	AS AT	AS AT	AS AT
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Unsecured-considered good.					
	Debtors	-	-	207.73	220.89
	Subsidy Receivables (*)	-	-	2105.76	1501.64
		-	-	2313.49	1722.53
	Debtors Unsecured Considered Doubtful	1.43	2.35	-	-
	Less: Provision for doubtful debts	(1.43)	(2.35)	-	-
		-	-	-	-
	Claims - Considered Doubtful	8.74	8.74	-	-
	Less: Provision for doubtful	(8.74)	(8.74)	-	-
		-	-	-	-
	Sub Total - Trade Receivables	-	-	296.71	248.41
	Sub Total - Subsidy Receivables (*)	-	-	3000.68	2520.69
	TOTAL	-	-	3297.39	2769.10

* Includes an amount of ₹ Nil (P.Y. ₹ 491.64 Crore) received under special banking arrangement also stated in Note No. 7)

₹ in Crore

NOTE NO. 16	"CASH AND CASH EQUIVALENTS"	AS AT	AS AT
		31.03.2015	31.03.2014
Cash and Cash Equivalents			
	Cash on hand	0.02	0.02
	Cheques in hand	0.02	1.45
	Deposits with original maturity less than 3 months	76.03	0.98
	In Current and Cash Credit accounts	7.42	67.33
		83.49	69.78
Other Bank Balances			
	Deposits with original maturity more than 3 months but less than 12 months	1.54	1.42
	Margin money deposit	-	0.30
	In unpaid Dividend Account	0.56	0.51
		2.10	2.23
		85.59	72.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 17	"REVENUE FROM OPERATIONS"	Year Ended March 2015	Year Ended March 2014
1. Sales			
A. Manufactured Products	17A		
Fertilizers		2482.24	2114.70
Industrial Products		1050.62	987.96
		3532.86	3102.66
Less: Excise duty		(148.21)	(135.59)
		3384.65	2967.07
B. Bought-out Products	17A		
Fertilizers		423.61	330.01
Net Sales		3808.26	3297.08
2. Other Operating Revenues	17B		
Subsidy on Urea & Complex Fertilizers		3876.52	3270.87
Sale of Scrap		18.14	10.16
Management Fees -For Services rendered		11.76	9.98
TOTAL		3906.42	3291.01
Revenue from Operations (Net)		7714.68	6588.09

₹ in Crore

NOTE No. 17A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
		QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
1	<u>Manufactured</u>				
	A. <u>Fertilizers</u>				
	Urea	1,274,926	659.95	1,807,938	935.58
	Suphala 15 : 15 : 15	389,277	632.89	359,225	527.95
	Suphala 20 : 20 : 0 (Ammonium Nitrate Phosphate)	255,118	392.48	188,286	280.99
	Neem coated Urea	1,343,062	730.77	606,851	330.88
	Boronated Suphala	-	-	1,714	2.55
	Others	-	66.15	-	36.75
		3,262,384	2482.24	2,964,013	2114.70
	B. <u>Industrial Products</u>				
	Methanol	41,015	104.12	54,862	184.97
	Ammonia	91,194	323.54	74,576	274.66
	Dilute Nitric Acid	11,853	22.22	16,389	22.87
	Concentrated Sulphuric Acid	-	0.00	-	-
	Concentrated Nitric Acid	38,352	67.21	30,941	47.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 17A "SALES - PRODUCT WISE BREAK-UP"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
Ammonium Bi-carbonate	30,940	47.06	26,937	32.70
Sodium Nitrate	1,342	5.08	1,690	5.56
Sodium Nitrite	2,553	10.87	2,624	9.82
Methylamines	13,757	119.81	9,887	80.67
Ammonium Nitrate Melt	101,868	251.73	99,741	230.36
Dimethyl Formamide	3,029	20.78	2,670	20.07
Dimethyl Acetamide	1,757	15.15	2,674	23.03
Argon Gas / Liquid Argon	10,958	14.74	7,985	11.79
Formic Acid	5,460	25.16	5,692	26.96
Others		23.16		16.93
		1050.63		987.96
2. Bought-out Products				
A Fertilizers				
Imported Di Ammonium Phosphate	4,871	8.92	100,501	230.83
Imported Muriate of Potash	100,246	155.12	12,220	18.68
Imported Urea	239,985	124.11	30,518	15.81
Single Super Phosphate	80,025	53.09	46,674	29.96
Imported NPK 20:20:0	-	-	739	1.12
Ammonium Sulphate	1,888	2.23	3,192	3.74
Traded DAP	-	-	2,716	6.03
Others	-	80.13		23.84
		423.60		330.01
TOTAL*		3956.47		3432.67

* Sales are net of trade rebates and discounts (C.Y. ₹ 127.23 Crore, P.Y. ₹ 92.05 Crore)

₹ in Crore

NOTE NO. 17B	"SUBSIDY"	Year Ended March 2015	Year Ended March 2014
Manufactured Fertilizers			
Price		3182.04	2671.98
Freight		492.27	424.30
		3674.31	3096.28
Bought-out Fertilizers			
Price		152.09	153.73
Freight		50.13	20.86
		202.22	174.59
TOTAL		3876.52	3270.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 18	" OTHER INCOME"	Year Ended March 2015	Year Ended March 2014
Interest Income			
	On Loans to Employees	0.01	0.03
	On Deposits with Bank and Others	2.97	5.82
	From Customers	2.38	5.46
	From Others	0.24	0.21
	TOTAL	5.60	11.52
Other Income			
	Lease rent for railway wagons	0.71	1.41
	Dividend from Trade Investment	0.08	0.08
	Dividend from Other than Trade Investment	0.01	0.04
	Profit on sale of fixed assets (Net)	0.04	0.04
	Bad debts recovered	4.83	0.63
	Provisions for Doubtful debts/advances/obsolescence no longer required	3.70	6.66
	Liabilities/Provisions for expenses of earlier years no longer required	8.56	5.48
	Rent received, recovery of electricity etc.	23.78	21.55
	Miscellaneous Income	27.18	27.04
		68.89	62.93
	Less: Transfer to Research and Development Expenses (Refer Note No. 24C) (C.Y. ₹ 70668, P.Y. ₹ 51021)	(0.01)	-
		74.49	74.45

₹ in Crore

NOTE NO. 19	"COST OF MATERIALS CONSUMED"	Year Ended March 2015	Year Ended March 2014
	Raw Materials	2961.94	2531.32
	Packing Materials	151.11	115.02
	TOTAL	3113.05	2646.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 19A “ITEM-WISE BREAKUP OF MATERIALS CONSUMED”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
RAW MATERIALS				
Rock Phosphate	241,863	224.83	186,196	198.62
Di-Ammonium Phosphate	19,934	46.51	535	1.49
Mono-Ammonium Phosphate	91,439	230.24	86,574	232.64
Muriate of Potash	102,757	223.12	88,653	228.21
Sulphur	31,117	34.72	21,450	22.02
Soda Ash	3,029	6.57	3,339	6.53
Associated Gas (Quantity in '000 M3) (Non APM)	132,321	156.05	42,528	49.69
Associated Gas (Quantity in '000 M3) (APM)	48,716	49.44	89,369	74.14
Natural Gas (Quantity in '000 M3) (PMT/RIL)	779,633	1,144.06	814,378	1,108.39
Natural Gas (Quantity in '000 M3) (RLNG-spot/Mid Term Gas)	218,590	794.51	151,550	567.69
Others		51.89		41.90
TOTAL		2,961.94		2,531.32

₹ in Crore

NOTE No. 20 “PURCHASES OF STOCK IN TRADE”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
Imported Urea	306,362	202.93	29,600	19.97
Imported Di Ammonium Phosphate	-	-	71,400	232.77
Imported Muriate of Potash	100,365	202.24	-	-
Sulphur Bentonite	1,450	2.71	1,852	3.10
Single Super Phosphate	73,984	38.78	39,098	23.03
Ammonium Sulphate	1,888	2.07	3,192	3.65
NPK 10:26:26	35,980	71.03	5,335	9.94
Others		6.12		6.74
TOTAL		525.88		299.20
Less: Transferred to Plant for Internal Consumption				
Imported Muriate of Potash		-	5,193	15.08
		525.88		284.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 21	"CHANGES IN INVENTORIES"	Year Ended March 2015	Year Ended March 2014
Opening Stock			
	Finished Goods	176.90	308.04
	Intermediary Products	27.54	26.53
	By-Products	8.70	9.51
	Stock in trade	29.57	207.80
	Carbon Credits	0.88	0.35
	Sub-Total	243.59	552.23
Closing stock			
	Finished Goods	167.25	176.90
	Intermediary Products	29.88	27.54
	By-Products	10.04	8.70
	Stock in trade	44.06	29.57
	Carbon Credits	-	0.88
	Sub-Total	251.23	243.59
Changes in Inventory			
	Differential Excise duty on stocks of Finished goods	(7.64)	308.64
		(0.23)	0.92
	TOTAL	(7.87)	309.56

₹ in Crore

NOTE No. 21A "OPENING STOCK - PRODUCT WISE BREAK-UP"	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014	
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE	
Finished Goods					
1. Manufactured					
A. Fertilizers					
	Urea (Trombay)	17,144	24.73	16,725	21.58
	Urea (Thal)	41,761	55.41	111,229	124.61
	Complex Fertilizers	22,244	51.22	54,111	126.25
	Others	-	31.59	-	29.12
B. Industrial Products					
	Methanol	2,309	6.32	1,301	3.11
	Concentrated Nitric Acid	56	0.08	34	0.05
	Ammonium Bi-carbonate	167	0.18	158	0.17
	Sodium Nitrate	20	0.07	103	0.34
	Sodium Nitrite	74	0.32	100	0.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 21A “OPENING STOCK - PRODUCT WISE BREAK-UP”	Year	Year	Year	Year
	Ended	Ended	Ended	Ended
	March	March	March	March
	2015	2015	2014	2014
	QUANTITY	VALUE	QUANTITY	VALUE
	(M.T)		(M.T)	
Methylamines	169	1.23	47	0.11
Ammonium Nitrate Melt	10	0.02	45	0.07
Dimethyl Formamide	206	1.50	44	0.30
Dimethyl Acetamide	1	0.01	8	0.05
Argon Gas / Liquid	158	0.23	54	0.08
Formic Acid	250	1.22	176	0.79
Others		2.77		1.05
		<u>176.90</u>		<u>308.04</u>
2. Bought-out Products Fertilizers				
Imported Di Ammonium Phosphate	5,101	18.14	37,091	127.81
Imported Muriate of Potash	-	-	17,297	51.56
Imported Urea	1	-	1,085	0.90
Single Super Phosphate	6,931	5.25	14,529	11.65
Water Soluble Fertilizers	961	4.95	1,282	7.23
Sulphate of Potash	-	-	741	1.82
Traded DAP	-	-	229	0.80
Others	-	1.23	2,716	6.03
		<u>29.57</u>	-	<u>207.80</u>
TOTAL		<u><u>206.47</u></u>		<u><u>515.84</u></u>

₹ in Crore

NOTE No. 21B “CLOSING STOCK - PRODUCT WISE BREAK-UP”	Year	Year	Year	Year
	Ended	Ended	Ended	Ended
	March	March	March	March
	2015	2015	2014	2014
	QUANTITY	VALUE	QUANTITY	VALUE
	(M.T)		(M.T)	
Finished Goods				
1. Manufactured				
A. Fertilizers				
Urea (Trombay)	9,608	14.10	17,144	24.73
Urea (Thal)	31,178	43.57	41,761	55.41
Complex Fertilizers	34,694	77.46	22,244	51.22
Others		-	-	31.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE No. 21B “CLOSING STOCK - PRODUCT WISE BREAK-UP”	Year Ended March 2015	Year Ended March 2015	Year Ended March 2014	Year Ended March 2014
	QUANTITY (M.T)	VALUE	QUANTITY (M.T)	VALUE
B. Industrial Products				
Methanol	349	0.92	2,309	6.32
Concentrated Nitric Acid	121	0.22	56	0.08
Ammonium Bi-carbonate	78	0.09	167	0.18
Sodium Nitrate	-	-	20	0.07
Sodium Nitrite	-	-	74	0.32
Methylamines	225	1.64	169	1.23
Ammonium Nitrate Melt	10	0.02	10	0.02
Dimethyl Formamide	24	0.42	206	1.50
Dimethyl Acetamide	197	1.57	1	0.01
Argon Gas / Liquid	217	0.29	158	0.23
Formic Acid	292	1.10	250	1.22
Others		25.85		2.77
		167.25		176.90
2. Bought-out Products				
Fertilizers				
Imported Di Ammonium Phosphate	283	0.19	5,101	18.14
Imported Urea	66,001	41.99	1	-
Single Super Phosphate	811	0.41	6,931	5.25
Water Soluble Fertilizers	136	0.43	961	4.95
Others	-	1.04	-	1.23
		44.06		29.57
TOTAL		211.31		206.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 22	"EMPLOYEE BENEFITS EXPENSE"	Year Ended March 2015	Year Ended March 2014
Salaries, Wages and Bonus		431.69	383.14
Contribution to Provident Fund and other funds		42.15	40.49
Contribution to Gratuity Fund		16.15	(6.62)
Workmen and Staff Welfare Expenses		59.89	47.54
		<u>549.87</u>	<u>464.55</u>
Less : Salaries, Wages, Bonus and contribution to Provident Fund & Other funds Included in :			
Research and Development (Refer Note No. 24C)		(3.78)	(3.22)
Share recoverable from Thal Ammonia Extension and Others		(18.58)	(18.15)
		<u>(22.36)</u>	<u>(21.37)</u>
TOTAL		<u>527.51</u>	<u>443.18</u>

₹ in Crore

NOTE NO. 23	"FINANCE COSTS"	Year Ended March 2015	Year Ended March 2014
On Term Loans-From Banks		22.73	30.02
On Working capital from Banks		60.33	65.42
On other loans and deposits		3.76	3.32
Applicable net gain/loss on foreign currency transactions and translation in respect of borrowings		29.87	29.86
Interest on Taxes		3.58	3.47
Others		1.37	3.88
TOTAL		<u>121.64</u>	<u>135.97</u>

₹ in Crore

NOTE NO. 24	" OTHER EXPENSES"	Year Ended March 2015	Year Ended March 2014
Stores and Spares		60.23	49.66
Power and fuel		1469.51	1247.43
Water Charges		107.64	71.89
Repairs and Maintenance		160.80	191.85
Freight and Handling Charges		748.42	549.36
Rent		7.35	9.42
Rates and Taxes		6.60	7.58
Insurance		15.35	14.26
Cash Discounts and other Rebates		22.07	28.26
Miscellaneous Expenses		114.93	170.65
Less: Transferred to Research & Development Expenses (Refer Note No. 24C)		(0.30)	(0.15)
TOTAL		<u>2712.60</u>	<u>2340.21</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 24A	"REPAIRS AND MAINTENANCE"	Year Ended March 2015	Year Ended March 2014
	Plant and Machinery	105.26	132.07
	Buildings	32.37	34.63
	Other Assets	23.40	25.28
		161.03	191.98
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.23)	(0.13)
	TOTAL	160.80	191.85

₹ in Crore

NOTE NO. 24B	"MISCELLANEOUS EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Security expenses-Factory and Others	30.14	27.09
	Electricity Charges-Township and Offices	8.64	5.61
	Advertisement	6.40	4.92
	Bank Charges	1.49	1.27
	Promotion and Publicity	4.42	3.53
	Hire Charges for vehicles	4.80	4.78
	Traveling expenses	5.82	6.97
	Miscellaneous expenses *	35.92	36.51
	Entertainment Expenses	0.24	0.11
	Donations	0.02	1.14
	Research and Development expenses	4.96	3.90
	Loss on Fixed Assets Sold /Discarded	8.16	1.79
	Losses/Damages and other amounts written off	2.50	0.40
	Foreign exchange Loss/(Gain)	(10.78)	71.16
	Loss on sale/ Mark To Market valuation of Equity Investments	-	0.18
	Corporate Social Responsibility expenses	8.30	14.82
	Provision for Doubtful Debts/ Claims/ Advances	4.32	6.61
	Provision for obsolescence of stores	11.16	1.27
	Bad debts written off	1.92	0.81
	Prior period Items -Debit(+)/Credit(-)	8.16	(0.38)
	Adjustment towards share of common expenses recoverable from TAE/TDP	(21.66)	(21.84)
	Sub Total	114.93	170.65

* Includes Directors' sitting fees C.Y. ₹ 250,000, P.Y. ₹ 50,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

NOTE NO. 24C	"RESEARCH & DEVELOPMENT EXPENSES"	Year Ended March 2015	Year Ended March 2014
	Salaries and Staff Welfare Expenses	3.78	3.22
	Repairs and Maintenance	0.23	0.13
	Depreciation	0.17	0.05
	Other Expenses	0.77	0.47
	Handling charges	0.02	0.03
	Sub Total	4.97	3.90
	Less: Transferred from Other Income (P.Y.₹51021)	(0.01)	-
	TOTAL	4.96	3.90

₹ in Crore

NOTE NO. 24D	"PRIOR PERIOD ITEMS"	Year Ended March 2015	Year Ended March 2014
	Debits / Credits (-)		
	Interest	0.41	-
	Materials Consumed	(0.37)	0.67
	Repairs and Maintenance	-	(0.99)
	Depreciation	7.74	0.14
	Others	0.38	(0.20)
	TOTAL	8.16	(0.38)

A. Statement of Significant Accounting Policies and Explanatory Information on Consolidated Financial Statements for the year ended 31st March, 2015

1. Basis of Consolidation

1.1. The Consolidated Financial Statements relate to the Company (Rashtriya Chemicals & Fertilizers Ltd.) and Joint Venture entities (hereinafter referred as the “Group”), other than a subsidiary and Joint venture entities referred to in (1.2), (1.3) & (1.4) below.

1.2. Rajasthan Rashtriya Chemicals and Fertilizers Limited, is a subsidiary of the Company, with proportionate ownership interest of 51%. The subsidiary was incorporated on 28th July 2007 with authorized share capital of ₹5 Crore. The Company has subscribed towards equity share capital of 25500 shares of ₹10/- each amounting to ₹0.03 Crore and had further paid an amount of ₹0.49 Crore towards equity share capital which is pending allotment.

Winding up proceedings of the said subsidiary has been initiated and accordingly the company has fully written off the investment including amount paid as advance against equity capital, pending allotment.

1.3. Urvarak Videsh Ltd. is a Joint Venture entity of the Company, with the Company holding proportionate share of interest of 33.33% in the said entity. The Joint venture entity was incorporated on 18th July 2008 with an authorized capital of ₹5.00 Crore. The Company had subscribed towards share capital of 180000 shares of ₹10/- each amounting to ₹0.18 Crore.

Company has made a full provision for diminution in value of investment in view of accumulated losses of the Joint Venture entity.

1.4. The audited financial statements of the aforesaid subsidiary/joint venture entities for the year ended 31st March 2015 are not available and in lieu of what is stated in para (1.2), and (1.3) above, the accounts have not been considered for consolidation / proportionate consolidation during the year in accordance with Accounting Standard 21 – ‘Consolidated Financial Statements’. The aforesaid subsidiary / joint venture entities not included in the Consolidated Financial Statements are individually and collectively not material to the Group’s activity.

2. Basis of Accounting

2.1. The financial statements of the Group have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies Act 2013 and the relevant provisions of the Companies Act, 2013 (“the Act”). The financial statements of the Group have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.2. The financial statements of the Joint venture entity used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March 2015.

3. Principles of Consolidation

3.1. The financial statements of Joint Venture entity are combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27-“Financial Reporting of Interests in Joint Ventures”.

3.2. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate Financial Statements.

3.3. The following Joint venture entity is considered in the Consolidated Financial statements.

Name of the Company	Country of Incorporation	Relation	Proportion of Ownership Interest as on 31st March 2015	Date of the entity becoming Joint Venture
FACT-RCF Building Products Ltd.	India	Joint Venture	50%	2 nd May, 2008

4. Accounting Policies

The accounting policies of the Parent Company are presented in Note no. A forming part of its standalone financial statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

5. Estimated amount of contracts remaining to be executed on capital account and not provided for aggregates to ₹ 273.07 Crore (Previous year ₹ 24.95 Crore) net of advances.

6. Contingent Liabilities:

6.1. Claims against the Company not acknowledged as debts to the extent ascertainable (interest cannot be estimated reliably) aggregates to ₹ 399.07 Crore, (P.Y. ₹ 475.12 Crore).

6.2. Other Contingent liabilities are same as disclosed in the Standalone Financial statements of the Company.

7. Earnings per Share –Basic and Diluted

	31.3.2015	31.3.2014
Net profit after tax as per Statement of Profit and loss (₹ in Crore) (A)	344.79	241.14
Weighted Average Numbers of Equity Shares for calculating basic EPS(B)	55,16,88,100	55,16,88,100
Basic/Diluted earnings per Share (in Rupees) (Face Value of ₹10/- per share) (A)/(B)	6.25	4.37

8. Balances of subsidy claim receivables and tax refunds from Government authorities are subject to confirmation. Some of the balances of Trade Payables, current liabilities and loans and advances are subject to confirmation, reconciliation and consequential adjustments if any. In the opinion of the management, such adjustments would not be material.

9. A) In compliance with Accounting Standard 27 on “Financial Reporting of Interests in Joint Ventures”. The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31.3.2015	31.3.2014
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33

A) **FACT-RCF BUILDING PRODUCTS LTD:-** A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

B) **URVARAK VIDESH LTD:** - A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies has been formed. Since the company has made full provision for diminution in the value of investment, accounts of the Joint Venture entity is not consolidated.

The Company's share in assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of audited/un-audited financials received from the joint venture entity FACT-RCF BUILDING PRODUCTS LTD is as follows:-

₹ Crore

Sr. No.	Particulars	31.3.2015 (Unaudited)	31.03.2014 (Audited)
1	Non-Current Assets	51.20	56.84
2	Current Assets	2.51	3.09
3	Non-Current Liabilities	40.25	40.87
4	Current Liabilities	9.07	3.16
5	Income	1.36	0.90
6	Expenditure	13.30	9.76
7	Contingent Liability	7.07	2.37
8	Capital Commitments	2.33	2.06

B) Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures

Name of Entity in the Group	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated net assets	Amount (₹ in Crore)
Parent Company				
Rashtriya Chemicals and Fertilizers Limited	101.12	2745.80	103.46	356.73
Joint Venture (as per Proportionate Consolidation Method)				
Indian				
FACT –RCF Building Products Ltd.	(1.12)	(30.48)	(3.46)	(11.94)
Total	100.00	2715.32	100.00	344.79

Enterprises not consolidated as Subsidiary / Associates / Joint Ventures

Name of Entity in the Group	Nature	Reasons for non-consolidation
1. Urvarak Videsh Limited	Jointly Controlled Entity	It has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been fully provided for by the company.
2. Rajasthan Rashtriya Chemicals and Fertilizers Limited	Subsidiary	It has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been written off and winding up procedure has been initiated.

10. Effective 1st April 2014, the company has charged depreciation based on the revised remaining useful life

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G.Rajan)
 Chairman and Managing Director

(Suresh Warrior)
 Director (Finance)

(D. M. Sati)
 Company Secretary

Dated : 21.05.2015
 Place: New Delhi

of the assets as per the requirements of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by ₹ 37.46 Crore.

Consequently the profit for the year is lower by ₹ 37.46 Crore and the deferred tax charge being lower by ₹ 11.96 Crore.

Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II. Company has during the year, charged off transitional depreciation amounting to ₹ 42.70 Crore to Statement of Profit and Loss.

11. Consolidated Employee benefit disclosures, segment disclosures, related party transactions, Lease disclosures, and deferred tax liability (Net), are not materially different from those disclosed in the standalone financial statements of the Company.
12. The Notes to these consolidated financial statements are disclosed to the extent necessary for presenting a true and fair view of the consolidated financial statements. The Company has given disclosures in the Notes to the extent it is relevant for consolidated financial statements in line with the General Circular No.39/2014 dated 14th October 2014.
13. Previous year figures have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year.

As per our report of even date attached
 For **M. M. NISSIM & Co.** For **NBS & Co.**
 Chartered Accountants Chartered Accountants

(Dhiren Mehta)
 Partner

(Devdas Bhat)
 Partner

Dated : 21.05.2015
 Place: Mumbai

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / JOINT VENTURES AS PER THE COMPANIES ACT, 2013

Part A: Subsidiaries												
Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Reason why the associate / joint venture is not consolidated
Rajasthan Rashtriya Chemicals and Fertilizers Limited	INR	0.05	(0.83)	0.14	0.92	-	-	(0.01)	0.00	(0.01)	-	51.00

Note:

The entire investment in the subsidiary has been written off in the Stand alone Financial Statements. The subsidiary company is in process of making the application for striking off the name of the company under fast track mode.

Part B: Associates and Joint Ventures											
Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures											
Name of Joint Venture	Lastest audited balance sheet date	Shares of Associate / Joint Ventures held by the Company on year end		Amount of investment in Associate / Joint Venture (₹ in Crore)	Extent of Holding %	Network Shareholding attributable to as per the latest audited Balance Sheet (₹ in Crore)	Profit / Loss for the year		Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	
		No.	₹				Considered in Consolidation (₹ in Crore)	Not Considered in Consolidation (₹ in Crore)			
1. FACT – RCF Building Products Ltd.	31/03/2015	32,870,000	50.00	32.87	50.00	(30.48)	(11.94)	-	Note A	Note A	-
2. Urvarak Videsh Limited	31/03/2015	180,000	33.33	0.18	33.33	0.03	-	0.00	Note A	Note A	Note B

Note

- A: There is significant influence due to percentage(%) of Share Capital in the Jointly Controlled Entity as mentioned above
- B: It has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been fully provided for by the company.

For and on behalf of the Board of Directors

(R.G. Rajan)

Chairman and Managing Director

(Suresh Warrior)

Director (Finance)

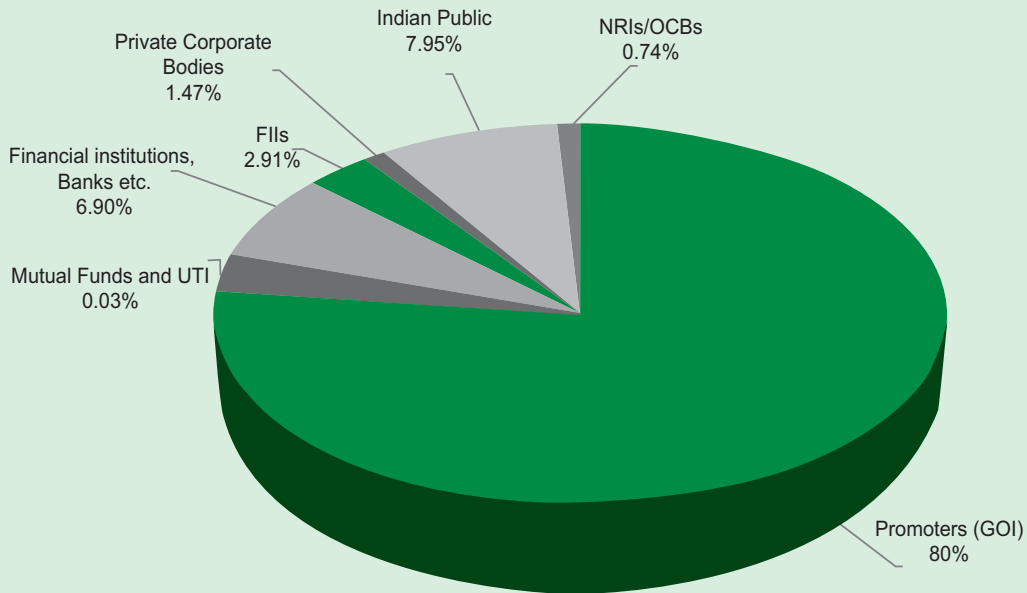
(D. M. Sati)

Company Secretary

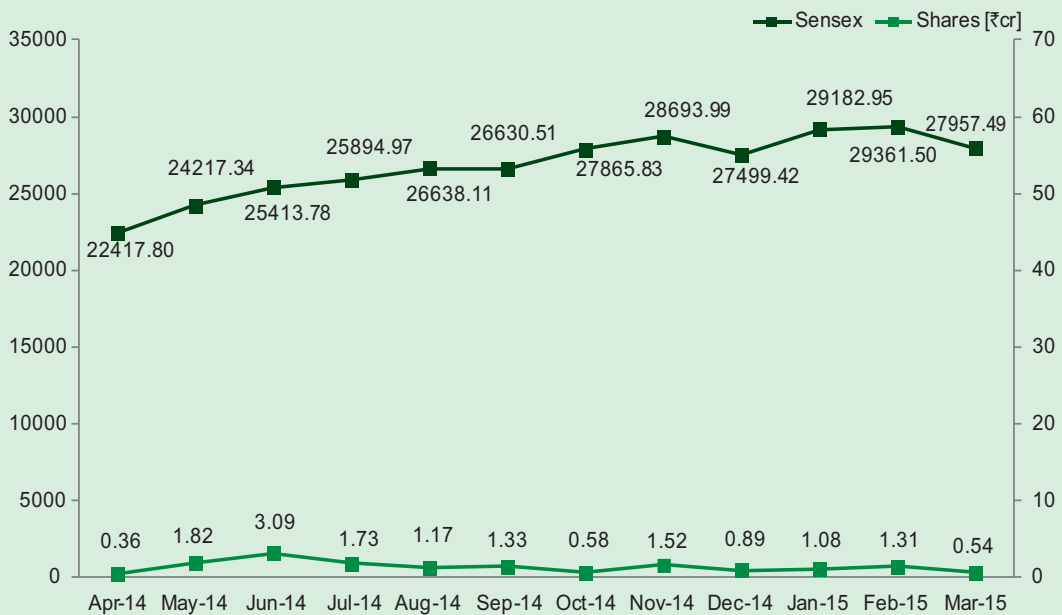
Dated : 21.05.2015

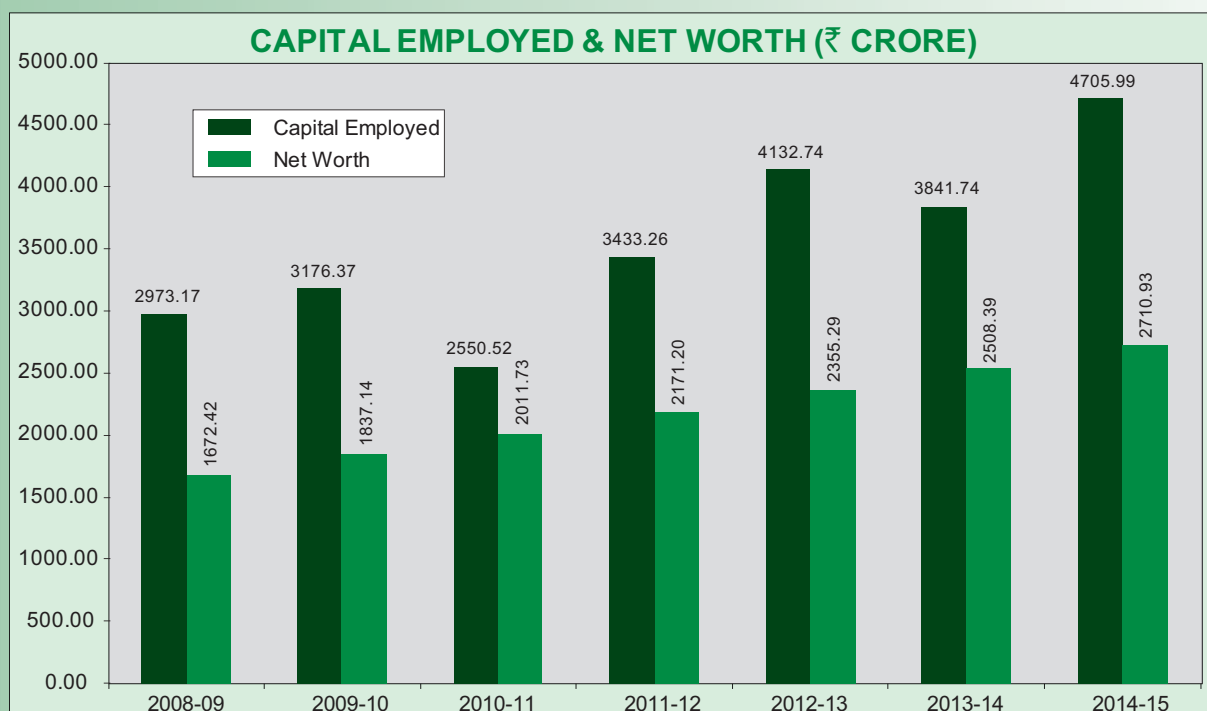
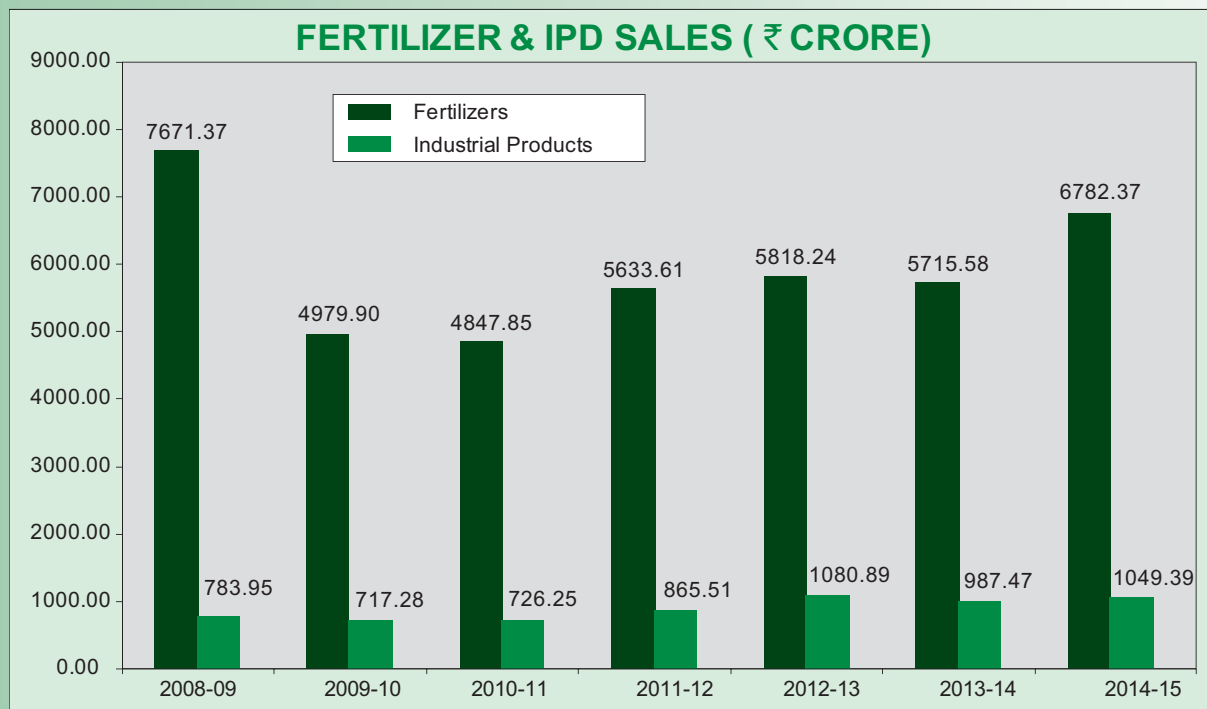
Place: New Delhi

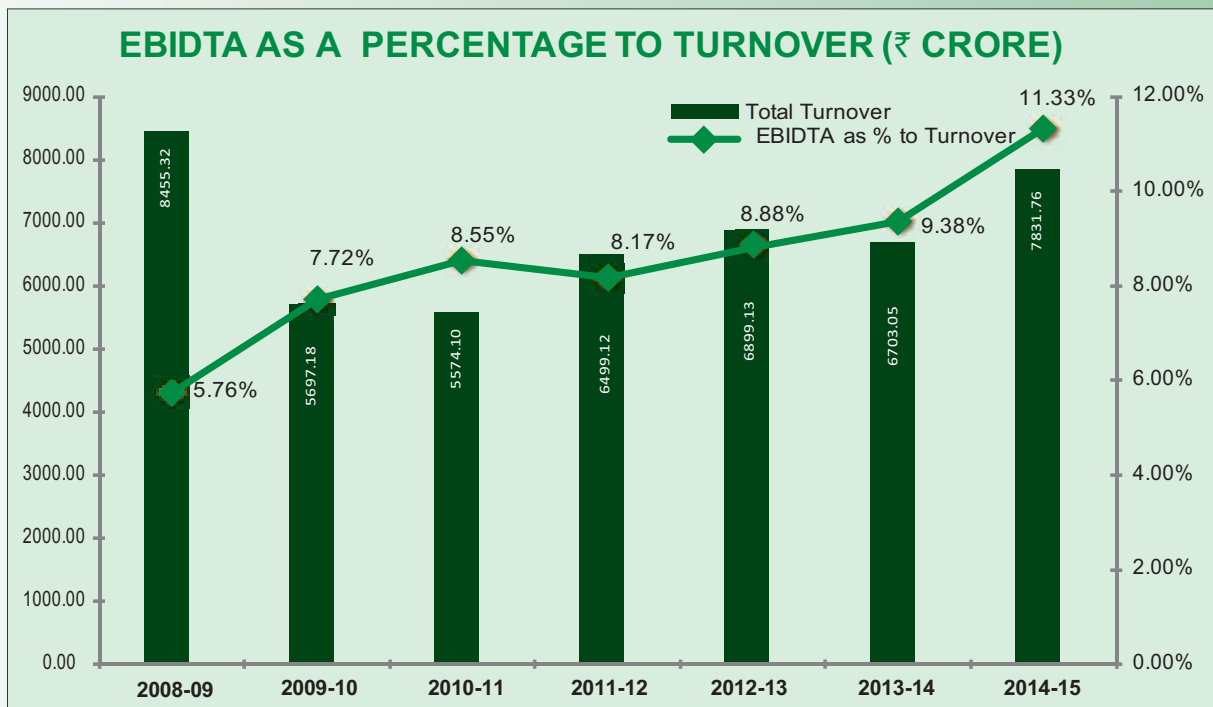
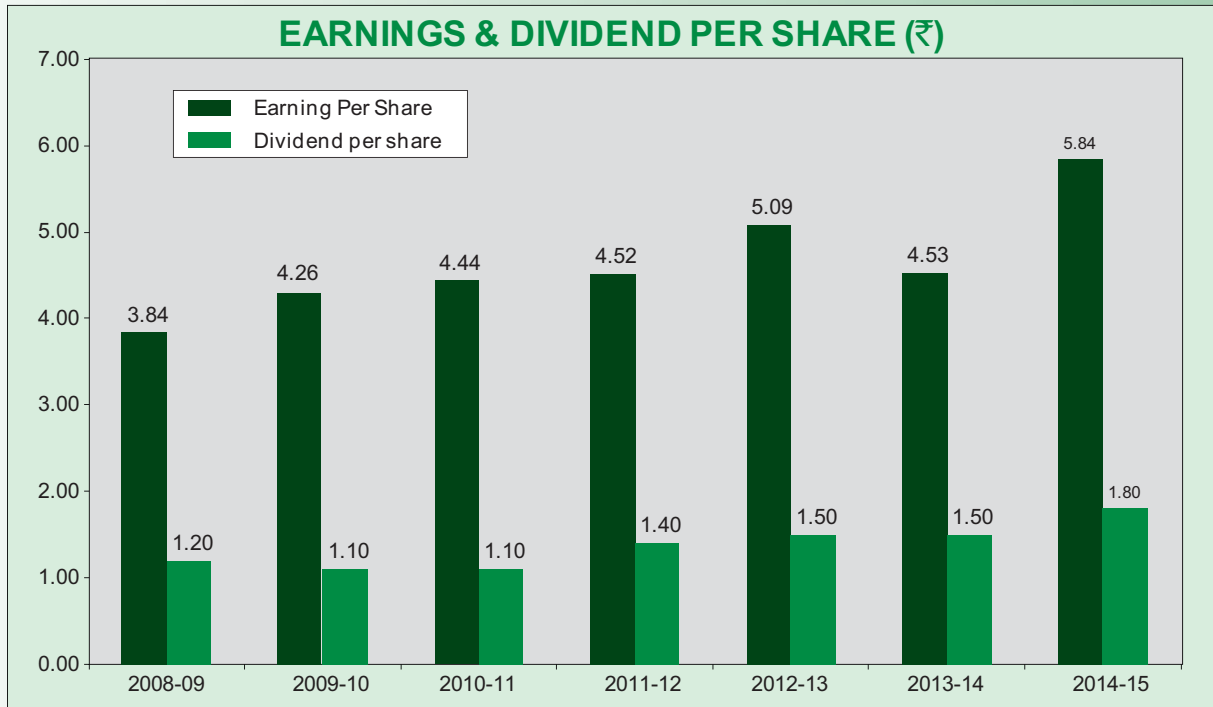
SHARE HOLDING PATTERN AS ON 31.03.2015

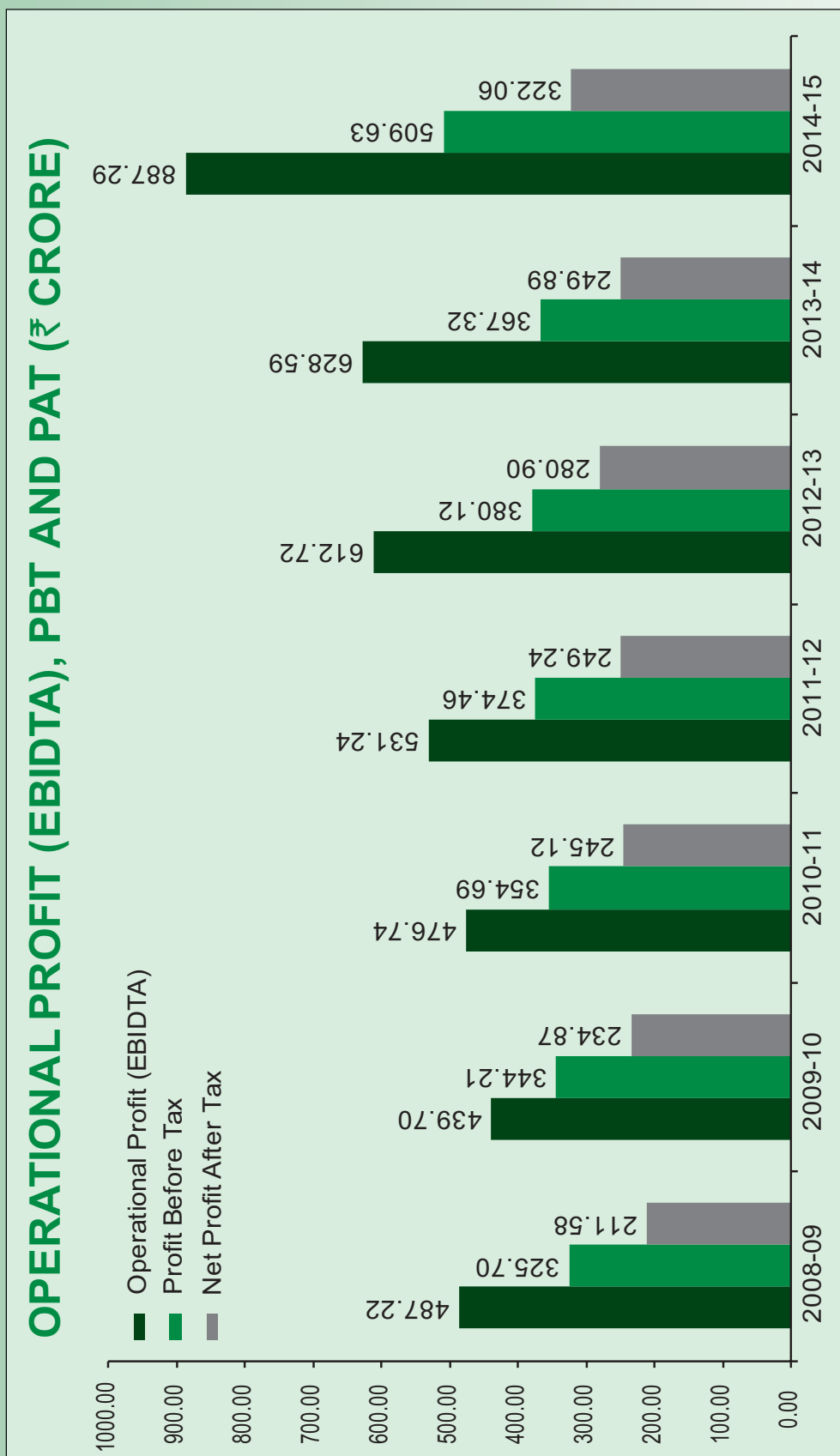


PERFORMANCE OF RASHTRIYA CHEMICALS & FERTILIZERS LTD. SHARE PRICE IN COMPARISON WITH BSE SENSEX









RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office, "Priyadarshini", Eastern Express Highway
Sion, Mumbai - 400 022.

CIN: L24110MH1978GOI020185

Phone: 022-24045024/ Fax:022 24045022

Email Id: investorcommunications@rcftd.com

Website: www.rcftd.com

37th Annual General Meeting, Thursday, 27th August, 2015

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./Client ID*	
DP ID*	

I/We being the member(s) of Shares of the above named Company hereby appoint:

1. Name:

Address:

Email Id:

or failing him

2. Name:

Address:

Email Id:

or failing him

3. Name

Address

Email Id

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/belief at 37th Annual General Meeting of the Company to be held on Thursday, the 27th August, 2015 at 3.00 P.M. at "Sivaswamy Auditorium", The Fine Arts Society, Fine Arts Chowk, RCF Marg, Chembur, Mumbai 400 071 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
	Ordinary Resolutions		
1.	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 st March, 2015, including Profit & Loss Statement for the year ended 31 st March, 2015 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.		

Item No.	Resolution	For	Against
	Ordinary Resolutions		
2.	To declare dividend.		
3.	To fix remuneration of Auditors.		
4.	To appoint a Director in place of Shri Sham Lal Goyal (DIN: 03342782), Director who retires by rotation and being eligible, offers himself for reappointment.		
5.	To appoint a Director in place of Shri C. M. T. Britto (DIN: 02449069), Director who retires by rotation and being eligible, offers himself for reappointment.		
	Special Resolutions		
6.	To ratify the remuneration payable to M/s. V. J Talati & Co., and Shri Suresh D. Shenoy, Cost Auditors of the Company.		

Signed this _____ day of _____ 2015

Signature

Affix
Revenue
Stamp
of ₹ 1

Sign across the revenue stamp

(Signature of the First Proxy holders)

(Signature of the Second Proxy holders)

(Signature of the third Proxy holders)

Note:

- (i) This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at "Priya darshini", Eastern Express Highway, Sion, Mumbai- 400 022, not later than 48 hours before the commencement of this meeting.
- (ii) Those Members who have multiple folios with different joint holders may use copies of this Proxy Form.

Route map to the Venue of the AGM



● “Sivaswamy Auditorium”,
The Fine Arts Society,
Fine Arts Chowk,
RC Marg, Chembur,
Mumbai 400 071,
Maharashtra, India.

Golden Peacock National Training Award



Shri Suresh Warior, Director (Finance), RCF, receiving Golden Peacock National Training Award at the hands of H. E. Sheikh Nahyan Bin Mubarak Al Nahyan, Minister of Culture, Youth and Community Development, Govt. of UAE, Dubai in presence of Justice (Dr.) Arijit Pasayat, Co-Chairman, IOD and former Judge, Supreme Court of India and Lt. Gen. J. S. Ahluwalia, PVSM (Retd.), President, Institute of Directors, India.

National Vigilance Excellence Award 2015



Shri Rajesh Kundan, IRS, Chief Vigilance Officer, RCF receiving "National Vigilance Excellence Award 2015" at the hands of Shri K. V Chowdary, Central Vigilance Commissioner, at VSC Hyderabad.



साथ बढ़ें समृद्धि की ओर



पृथ्वी का अधिक पोषण भारत की अधिक समृद्धि



छटें दशक में अपनी शुरुवात से ही आरसीएफ भारत की कृषि उत्पादकता को बढ़ानेवाली एक प्रमुख शक्ति रही है। हमारी कामयाबी की जड़ें हमारे विश्वास में हैं, हमारा विश्वास है कि कृषक समुदाय की अधिकारिता ही सम्मिलित विकास की ओर अग्रेसर करती है। लम्बे समय से हम भारतीय किसानों के सच्चे और विश्वसनीय हमसफर रहे हैं। निरंतर कृषि के माध्यम से निरंतर आत्मनिर्भरता आज राष्ट्र की जरूरत है और हम गुणवत्तापूर्ण कृषि इनपुट और प्रभावी कृषि सेवा किसानों को प्रदान करके मिट्टी की उचित देखरेख के साथ खेतों की उच्च उत्पादकता सुनिश्चित कर रहे हैं।

हमारे प्रेरणादायी निष्पादन :

- देश के अग्रणीय उर्वरक निर्माता।
- पिछले पाँच दशकों से भारतीय किसानों को समर्पित सेवाएँ।
- उर्वरक क्षेत्र में पहली पाँच कंपनियों में स्थान।
- 'उज्ज्वला' यूरिया, संयुक्त श्रेणी 'सुफला' (15:15:15 और 20:20:0) पानी में घुलनशील उर्वरक 'सुजला', जैविक उर्वरक 'बायोला' सूक्ष्म पोषक तत्वोंवाला 'माइक्रोला' जैसे कई उत्पाद।
- रासायनिक क्षेत्र में अग्रणी, 20 औद्योगिक रसायनों का उत्पादन।

भविष्य की राह :

- 1.27 मिलियन टन प्रति वर्ष यूरिया बनाने के लिए विस्तारित परियोजना।
- सीआइएल, गेल और एफसीआइएल के साथ मिलकर कोल गैसिफिकेशन के माध्यम से तालचर में उर्वरक संकुल स्थापित करना।
- मध्य पूर्वी संसाधन समृद्ध देशों में यूरिया के लिए संयुक्त उद्यम नरियोजनाएँ स्थापित करना।
- रॉक फास्फेट और पोटाश के लिए लम्बी अवधि का ऑफटेक करार करना।
- निरंतर विकास पर सशक्त रूप से ध्यान केंद्रित करना।



राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

“प्रियदर्शिनी”, इस्टर्न एक्सप्रेस हाईवे, सायन, मुंबई - 400 022. | www.rcfltd.com



Let us grow together

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

CIN: L24110MH1978GOI020185

Registered Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022.

Tel. No.: 022-24045024 / Fax No: 022-24045022

E-mail Id: investorcommunications@rcfltd.com / Website: www.rcfltd.com

ATTENDANCE SLIP FOR 37th ANNUAL GENERAL MEETING

Registered Folio / DP ID & Client ID			
No. of Shares			
Name and Address of the Shareholder(s):			
Joint Holder(s):			
I/we hereby record my/our presence at the 37 th Annual General Meeting of the Company held at "Sivaswamy Auditorium, The Fine Arts Society, Fine Arts Chowk, R C Marg, Chembur, Mumbai- 400 071 on Thursday, August 27, 2015 at 3.00 p.m.			
If Shareholder(s), please sign here		If Proxy, please mention name and sign here	
		Name of the Proxy	Signature
Note: Please sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.			

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	*Default PAN
150727001		

*Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

Note: Please read the instructions for e-voting given along with notice of the 37th Annual General Meeting. The Voting period starts from Sunday, August 23, 2015 (9.00 a.m.) and ends on Wednesday, August 26, 2015 (5.00 p.m.). The voting module shall be disabled by CSDL for voting thereafter.

FORM A

COVERING LETTER OF ANNUAL AUDIT REPORT

1	Name of the Company	RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED.	
2	Annual Financial Statements for the year ended	31 st March, 2015	
3	Type of Audit Observations	EMPHASIS OF MATTERS	
4	Frequency of Observation	Point No. in Matter of Emphasis Para of Audit report attached herewith	Time Period
		Point No. a)	Appeared for the first time
		Point No. b)	Since 31 st March, 2012
		Point No. c)	Since 31 st March, 2004

For Rashtriya Chemicals and Fertilizers Ltd.



R. G. Rajan
Chairman & Managing
Director





Suresh Warior
Director(Finance)



Prof. Damodar Acharya
Chairman Audit Committee

For and on behalf of Statutory auditors

For M. M. NISSIM & Co.
Chartered Accountants

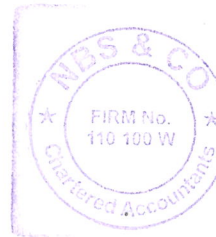
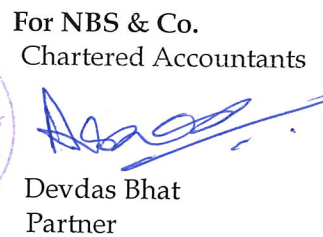



Dhiren Mehta
Partner

Date 27/07/2015

Place : Mumbai

For NBS & Co.
Chartered Accountants

Devdas Bhat
Partner